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## APPEALS OF COVERAGE

- ✓ Members may appeal the Legal Administrator's decisions to the **LDF BOARD OF TRUSTEES**.
- ✓ Members may choose to personally appear before the Board of Trustees to present their appeal.




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## MATTERS OF GENERAL IMPORTANCE

*Not just defending cops...*

- ✓ Addressing cases of general importance to law enforcement personnel





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**FINANCIAL WELLNESS  
FOR LAW ENFORCEMENT**

**JILL ALVES**  
*Officer Relations Director  
CAHP Credit Union*

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- ✓ Jill Alves is the Director of Officer Relations for CAHP Credit Union.
- ✓ As a certified financial coach, she has over seven years of experience helping Peace Officers achieve financial freedom.
- ✓ In addition, she helps manage relationships between the credit union and law enforcement agencies throughout the state.





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**FINANCIAL WELLNESS  
FOR LAW ENFORCEMENT**

**DANNY  
VAN ATTENHOVEN**  
*Financial Advisor  
CAHP Credit Union*

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- ✓ Danny Van Attenhoven works as an Officer Relations Manager and a Financial Advisor for CAHP Credit Union.
- ✓ A certified Financial Coach, he works with law enforcement officers throughout the state to improve their financial health. His experience as a Financial Advisor allows him to develop and implement long term financial plans and help officers maximize their retirement accounts.



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**FINANCIAL WELLNESS  
FOR LAW ENFORCEMENT**

**LOGAN  
THOMPSON**  
*Financial Advisor  
CAHP Credit Union*




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- ✓ Logan Thompson is an Officer Relations Manager and Financial Advisor for CAHP Credit Union.
- ✓ As a Certified Financial Coach, he assists members with budgeting, and attaining current and future financial goals.
- ✓ Logan holds his Series 65 Securities License and California Life-Only Insurance License.



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Serving Those Who Serve Us

**Financial Wellness for  
Peace Officers**

Jill Alves  
Danny Van Attenhoven  
Logan Thompson


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Serving Those Who Serve Us

**Course Overview**

- Exploring the basics of financial health
- Discussion on how finances relate to your job
- Planning for retirement: Investing 101
- Review of the credit score
- How we get officers back on track



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## What is Financial Health?



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## Financial Health Basics



- The ability to maintain a balanced budget
- Preparedness for all expenses
  - Short-term goals
  - Mid-term goals
  - Long-term goals
  - Emergencies

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Your Goals		Target Date	Total Needed	Current Savings	Additional Savings Needed	Pay Periods Until Target Date	Savings Needed per Month
Short-term goal (under 1 year)	Vacation	Mar '22	\$8,000	\$2,000	\$6,000	8	\$750
Mid-term goal (1-5 years)	Car Down Payment						
Long-term goals (over 5 years)	House						
	College						

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## Financial Stress and Its Impact

- Quality of work vs. Quantity
  - The overtime mindset
- Distractions on the job
  - Impact on your decision making abilities
- The affect on your family



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## Four Core Components of Financial Health



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## Ready to Uncover Your Financial Health Score?



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### How Financially Healthy Are You?

Take this quick quiz to find your Financial Health Score. The quiz contains five sections: Spend, Save, Borrow, Plan, and Overall Preparedness & Confidence. For each question, circle the answer that most closely matches your financial situation, then write your score in the orange box. Use the table at the end of the quiz to interpret your Financial Health Score.

#### SPEND

1. Over the past year, how would you describe your spending patterns relative to income and expenses?

	Spent much less than income	Spent a little less than income	Spent about equal to income	Spent a little more than income	Spent much more than income
Score (circle one)	5	4	3	2	1

2. Over the past year, which of the following statements best describes how well your household is keeping up with your bills and credit card payments?

	Pay all bills and credit card payments on time and in full	Pay most bills and credit card payments on time and in full	Struggle to keep up with bills and credit card payments
Score (circle one)	5	3	1

#### SAVE

3. How many months would you be able to live off of your savings? (Exclude savings that are set aside in retirement accounts or the sale of assets. Consider basic monthly expenses such as housing, food, taxes, and healthcare.)

	More than a year	More than 9 months	7-9 months	5-6 months	Less than 4 months
Score (circle one)	5	4	3	2	1

4. Consider a long-term financial goal you have (buying a home, starting a business, retirement). How confident are you that you could reach these goals in the time frame that you hope to achieve them?

	Very confident	Confident	Slightly confident	Not at all confident
Score (circle one)	5	4	2	1

#### OVERALL PREPAREDNESS & CONFIDENCE

5. How confident are you that the insurance policies your household owns will provide you with enough support in case of an emergency? (Please consider your health insurance, home/rental insurance, life insurance and disability insurance.)

	Very confident	Somewhat confident	Only slightly confident	Not at all confident	I don't have insurance
Score (circle one)	5	4	3	1	1

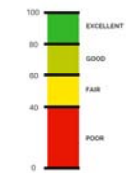
6. How possible would it be for your household to come up with \$5000 in the next month to deal with an emergency?

	Very possible	Somewhat possible	Not very possible	Not at all possible	I don't know
Score (circle one)	5	4	2	1	1

Add up all of the numbers in the orange boxes to get your score out of 50. TOTAL: \_\_\_\_ / 50


#### Review Your Financial Health Score:

To assess your overall score, add all the orange scores and write the total at the end of the quiz. To get your financial health score, multiply your number 2.



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Spend

## You are financially healthy when you ...

- Spend less than you earn
- Pay bills on time and in full

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## Steps in Creating a Spending Plan

Income	Pay Days	Monthly Total	Week 1	Week 2	Week 3	Week 4
Job						
Spouse's Job						
Total						

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Expense	Due Date	Monthly Total	Week 1	Week 2	Week 3	Week 4
Rent/mortgage						
Gas/electric						
Water/sewer/garbage						
Telephone/long distance						
Groceries						
Entertainment/eating out						
Car payment						
Gas/public transit						
Auto maintenance/repairs*						
Auto insurance*						
DMV registration/smog*						
Doctor/dentist/therapy*						
Clothing						
Laundry/dry cleaning						
Personal care						
Gifts/holiday expenses*						
Emergency savings						
Debt payments						
Other**:						
Total						

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Credit and Debt Obligations	Amount Owed	Monthly Payment
Total A		B

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	Monthly Total	Week 1	Week 2	Week 3	Week 4
Total Monthly Income					
Monthly Expenses					
Monthly Debt Payments (B)					
Balance (+)/Deficit (-)					

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**Are Your Finances in Balance?**

**Assets**

Liquid assets:

- Checking account \_\_\_\_\_
- Savings account \_\_\_\_\_
- Money market \_\_\_\_\_
- Certificates of deposit \_\_\_\_\_
- Securities (stocks, bonds, mutual funds) \_\_\_\_\_
- Life insurance (cash value) \_\_\_\_\_
- Other \_\_\_\_\_

**Total liquid assets** \$ \_\_\_\_\_

Other assets:

- Retirement accounts \_\_\_\_\_
- Company pension \_\_\_\_\_
- Annuities \_\_\_\_\_
- House (market value) \_\_\_\_\_
- Other real estate \_\_\_\_\_
- Automobiles \_\_\_\_\_
- Personal property (jewelry, furniture, etc.) \_\_\_\_\_

**Total other assets** \$ \_\_\_\_\_

**Total assets** \$ \_\_\_\_\_

**Liabilities**

- Mortgage (first) \_\_\_\_\_
- Mortgage (second, equity line) \_\_\_\_\_
- Automobile Loans \_\_\_\_\_
- Credit Cards (total from 10) \_\_\_\_\_
- Other Loans \_\_\_\_\_
- Other Debts \_\_\_\_\_

**Total liabilities** \$ \_\_\_\_\_

**Net worth**

**Total Assets minus Total Liabilities** \$ \_\_\_\_\_

## NET WORTH

IS A FAIRLY SIMPLE EQUATION

ASSETS - LIABILITIES = NET WORTH

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## Be a Conscious Consumer

- Will I really use the product or service?
- What are my motives for making the purchase?
- Do I own anything else that provides the same use?
- Did I feel a need for this item before I saw it in the store?
- What are the financial and emotional costs of the purchase, and can I really afford it?
- Can I get the product or service for less elsewhere?

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Save

## You are financially healthy when you ...

- Have sufficient living expenses in liquid savings
- Have sufficient long-term savings or assets

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Borrow


### You are financially healthy when you ...

- Have a sustainable debt load
  - DTI under 40%
- Have a credit score of 680+

Debt to Income Ratio: Monthly debt divided by gross monthly income

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Plan

### You are financially healthy when you ...

- Have appropriate insurance
- Prepare for upcoming expenses
- Plan for your retirement

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## Investing for Retirement



- Work with a financial advisor
- Review portfolio often
- Get multiple opinions
- Consolidate accounts to one place

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## Investing for Retirement

- Diversify
- Invest in what you understand
- Determine your risk tolerance and time horizon



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## Investing Basics



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## Retirement Accounts: Traditional Vs. Roth

	Traditional	Roth
Contributions	Tax deductible in year made	No tax deduction, funded with after tax dollars
Accumulation	Tax deferred on all earnings	Tax deferred on all earnings
Distributions	Fully taxed as ordinary income	Tax free, including all earnings

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## Compound Interest

### Why Does Compound Interest Matter?



Compound interest = interest earned on money that was previously earned as interest.



Compound interest causes interest and account balances to grow.

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## Volatility of the Market

- Ups and downs as you work through your career
- Stay focused
- Don't panic sell
- Take on appropriate risk for your time horizon



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## Planning for Your Family

- Life Insurance
  - Review your policy
  - Confirm you have enough coverage
- Living Trust
  - Protect your family and your assets
  - Avoid probate
  - Reduce tax liability



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## Preparing for Retirement

- Plan for a rollover
- Leave your money invested
- Let compound interest continue to work for you
- Split your leave credits check into two




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## Cryptocurrency

- What is it?
- How do I invest?
- Is it safe?



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## Breaking Down Credit

Range of Scores	Paper Grade
850 = Outstanding	730+ = A+
711 = Average	680-729 = A
300 = Lowest	640-679 = B
	600-639 = C
	550-599 = D
	549 and below = E

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**Bullet Proof Your Credit Score**

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### Lower Loan Payments

Member	Current Score	Loan Amount	Rate	Term	Payment	Loan Interest
Member A	730	\$35,000.00	2.50%	60	\$621.16	\$2,269.46
Member B	580	\$35,000.00	18.00%	60	\$888.77	\$18,326.20

*Members have the same loan amount, because of Member B's low credit score they are paying much more in interest.*

### More Buying Power

Member	Current Score	Loan Amount	Rate	Term	Payment	Loan Interest
Member A	730	\$36,500.00	2.50%	60	\$647.78	\$2,366.72
Member B	580	\$25,500.00	18.00%	60	\$647.53	\$13,351.94

*Members are making almost the same car payments however member A can afford a higher loan amount because of their credit score. Member B is paying \$10,985 more in interest.*

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**Five Factors That Make Up Your Credit Score**

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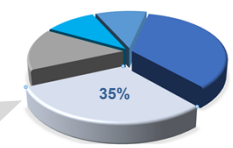
- Payment History = 35%
- Capacity = 30%
- Length of Credit = 15%
- New Credit = 10%
- Types of Credit = 10%



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**Payment History 35%**

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- Public Records include Judgements, Repossessions, Tax Liens, Garnishments, Foreclosures, Bankruptcies
- Collections & Late Payments remain on your credit report for 7 years
- Charge-offs remain on your credit report for 7 years

**What is payment history?**  
A record of on-time payments increases a credit score, negative items can decrease the score. Indicates if a borrower is a lending risk due to a history of late or missed payments.

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**Payment History 35%**

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Approximate credit weight for each year:

- Up to 1 year: 40%
- 1 to 2 years: 30%
- 2 to 3 years: 20%
- 4+ years: 10%



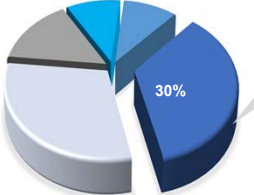
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**Capacity 30%**

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**What is capacity?**

The ratio of your unsecured credit card balances in relation to credit limit.




**Revolving credit accounts that may affect capacity:**

- Open-End Accounts
- Credit Cards
- Unsecured Lines of Credit

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**Capacity 30%**


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**Utilization Example**

Richard is a member and has a credit card with a credit limit of \$10,000. The balance on the card is \$5,000. How much is utilized?

**5,000/10,000 = 50%**


**How to Improve Your Credit Utilization Rate**



Pay Down Your Debt     Increase Your Credit Card Limit     Keep Cards Open After Paying Them Off

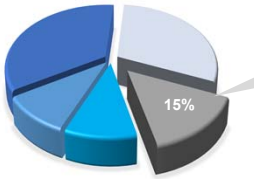
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**Length of Credit 15%**

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**What is length of credit?**


A measurement that reflects the length of experience a borrower has with the credit system. A lengthy credit history will generally increase your score.



**Capital One = 2 years**  
**CAHP = 10 years**  
**Average = 6 years**

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**New Credit 10%**

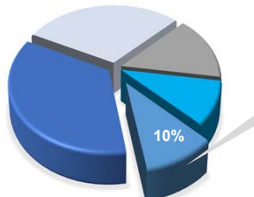
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**What is new credit?**

Accounts opened in the last two years.

**Types of Inquiries:**

- **Hard** – Pulled by a lender to assess your buying power
- **Soft** – Does not affect your credit score



**What is an inquiry?**  
 An inquiry is when a financial institution obtains a copy of your credit report for a loan or a credit card.

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**Types of Credit 10%**

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Having a good mix of loans with good payment history will raise your credit score.

**Types of Credit:**

- Revolving
- Installment
- Mortgage

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**Officer Success Story #1**

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### Too Much Debt

An officer and his wife contacted us to refinance a recently purchased 2021 vehicle through our beat rate program. We found there was negative equity on the vehicle (around \$3,200) making the Loan-to-Value ratio 135%. We also found some other obstacles as we looked through their credit report

**Definition of Negative Equity** – The difference between the amount owed and the current value of the vehicle. This can also come from adding on products offered by the dealer such as warranty and GAP.

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**Officer Success Story #1**

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TRADE SUMMARY	#	BALANCE	HIGH CREDIT	PAYMENTS	PAST DUE
MORTGAGE	2	164311	185138	1358	0
AUTO	10	21514	57961	977	0
EDUCATION	0	0	0	0	0
OTHER INSTALLMENT	2	0	0	0	0
OPEN	0	0	0	0	0
REVOLVING	31	32486	38300	1101	0
OTHER	0	0	0	0	0
TOTAL	45	218311	281399	3436	0
SECURED DEBT		185825	OLDEST TRADELINE	03/06	
UNSECURED DEBT		32486	REVOLVING CREDIT UTILIZATION	85%	
			TOTAL DEBT/HIGH CREDIT	82%	

**Credit Score: 540**

- Found over \$32,000 in CC debt
- Utilization rate was at 85%

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**Officer Success Story #1**


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DEROGATORY SUMMARY					
CHARGE OFFS:	0	30 DAYS:	0	INQUIRIES:	20
COLLECTIONS:	0	60 DAYS:	0	MOST RECENT LATE:	undetermined
BANKRUPTCY:	0	90 DAYS:	0	DISPUTES:	0
PUBLIC RECORDS:	0	OTHER:	0		

Each inquiry is 5 points  
20 x 5 = 100 point drop in score

- Too many hard inquiries


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 **Officer Success Story #1**  
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**Results**

- Tapped into savings to get rid of negative equity and refinance auto loan
- Lowered auto rate and saved members \$153 on their monthly auto loan payment
- Consolidated credit card debt and dropped their monthly payments by \$300, saving over \$45,000 in interest the next 4 years
- Improved credit score


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 **Officer Success Story #2**  
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**Rebuilding After a Bankruptcy**

This officer and his wife have been trying to rebuild their credit since 2017. They had to file for Chapter 13 Bankruptcy due to a pay cut for the wife. No one else would approve them for any loans. Embarrassed by the denials, they stopped looking for help until they were referred to us.

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 **Officer Success Story #2**  
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TRADE SUMMARY	#	BALANCE	HIGH PAYMENTS CREDIT	PAST DUE
MORTGAGE	0	0	0	0
AUTO	0	0	0	0
EDUCATION	0	0	0	0
OTHER INSTALLMENT	0	0	0	0
OPEN	0	0	0	0
REVOLVING	0	0	0	0
OTHER	0	0	0	0
TOTAL	0	0	0	0
SECURED DEBT	0	0	OLDEST TRADELINE	03/02
UNSECURED DEBT	0	0	REVOLVING CREDIT UTILIZATION	0%
			TOTAL DEBT/HIGH CREDIT	0%

**Credit Score: 589**

- Bankruptcy from 2017 and no credit since
- No revolving accounts (credit cards)
- No installment loans
- Few inquiries


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 **Officer Success Story #2**  
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**Results**

- We approved a Classic Visa card with a beneficial limit helping boost their credit score by 100 points.
- Approved an installment loan to add to their types of credit
- Member will be in excellent lending shape and on track to purchase a home in roughly 24 months

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 **Collections Tips and Facts**  
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**Collection Account Facts**

- Regardless if the collection is a medical, utility bill, or credit card, and no matter the amount, the collection status will impact your score greatly.
- As a collection account ages, it has less impact on your credit score.
- When it comes to your credit report, a collection account can stay on your credit report for seven years, even after it is paid off.

**Charge-Off Facts**

- Like a collection, a charge-off can stay on your credit report for 7 years.
- A charge-off account is worse than a collection account and will cost you more points.
- Charge-offs can be passed on to a collection agency which could report as a collection account on your credit report, in addition to the charge-off.
- Not only does it affect your credit score, credit card charge-offs can affect your revolving availability which is another component to your credit score.


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 **You are Financially Healthy When...**  
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- You spend less money than you earn
- You have enough savings to cover 6 months worth of living expenses
- You have \$3,000 in savings to cover emergency expenses
- Maintain a low credit card utilization rate
  - Less than 10%
- Build a solid credit history with years of experience



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 **Resources**  
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**Your Credit Union**  
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