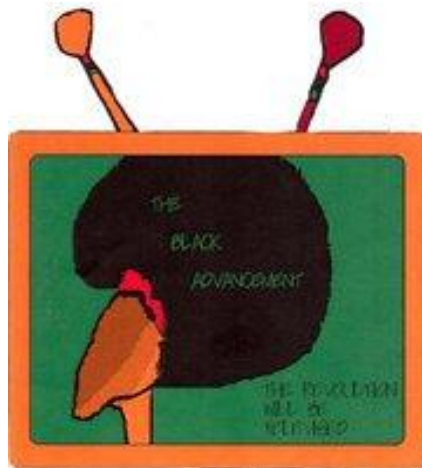


Black Advancement Inc.

Presents:

The
Credit
Commandments



1st Edition

FOREWORD

MAINTAIN DISCIPLINE

To all who have decided to take this pamphlet or read it online, the biggest take away from this project is to maintain discipline. Success is predicated on will power and the ability to do what must be done. Financial discipline is something that takes time to do but can be done.

By maintaining discipline you will not only be able to get out of debt, you will be able to stay out of debt. This is not rocket science and none of these techniques are new, they're just forgotten. Somewhere along the way we forgot how to sacrifice for what we wanted, how to make do, and how to depend on ourselves. The hope of the Credit Commandments is to simply remind you of what you can accomplish when you have a plan. To quote legendary head coach and commentator Herman Edwards, "A dream is a goal without a plan," so develop a plan and stick with it while remaining flexible to what life brings you.

If you find this program to be helpful, you are obligated to share it. Our biggest problem as human beings is that we fail to help others as someone once helped us. Share this information, it may save someone's life, or at least their life savings.

Peace and all people - Advance!!!

Agyemang Asante Goodman

President of Black Advancement Inc.

THE CREDIT COMMANDMENTS

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I. B.I.B.L.E. (Before Investing Balance Living Expectations)

Always, always make a plan and try your best to stick to it. This is the first and greatest commandment. For all people, especially people who are married, it is extremely important to have a financial plan when it comes to your future. How much do you want to save for your children's college fund? What type of house do you want to live in? What do you want for yourself? Do you want to fully retire by the time you are 65? These are just some of the many question that you must ask yourself in order to know how much money you will need to set aside going forward. Make your plans and goals achievable and list them with realistic timelines and expectations. By doing this you will force yourself into taking a serious look at your habits.

EXAMPLE:

Here are some questions to help you get started with your B.I.B.L.E.

- 1) I want to retire by age ___ ___
- 2) I want to have a million dollars in my retirement fund by the time I am ___ ___ years old
- 3) I want to save \$ ___ ___ ___, ___ ___ ___ for my children's education by ___ ___ ___
- 4) I want to own a condominium, house, apartment, townhouse by ___ ___ ___
- 5) I want a (new or used) vehicle by ___ ___ ___
- 6) I want to take a vacation every ___ years

DID YOU KNOW:

- The earlier you get life insurance the more money you can get in case of an unexpected death.

II. NEVER DENY THY OWN SUPPLY

You are your biggest investment/asset. Consider the following:

Checking Account – Open a checking account. Try to avoid any banks that charge you for having less than a certain amount in your account (i.e. maintain a balance of at least \$100 dollars in your checking account or pay a penalty). If you cannot find a bank that meets this requirement, join a credit union.

Every time that you get paid you should make it a point to pay yourself 10% of that payment.

EXAMPLE:

If your Paycheck = \$1,000 you give yourself \$100.00 (through 401K, Thrift Savings Program (TSP), or your own Savings Account)

Like any major change in your life such as eating differently or starting to workout, it will hurt at first. You will feel the effects of having less money in your pocket. If you don't have access to a 401K or a TSP, we suggest you automatically deposit your 10% into a savings account. This will help you adjust to your new totals by tricking your mind into believing this is how much you actually make. This 10% can be used to support a variety of situations such as:

- 1) Emergency fund
- 2) Vacations
- 3) Down payments (car/house)
- 4) Long Term Debts (college loans)
- 5) Unemployment Back-Up

Savings Account – If you have money coming into your checking account on a recurring basis you should get a savings account and have an appropriate amount (10% if

possible) automatically deposited to your savings account (If possible you should have more than one savings account).

Automatic Deposit –Use automatic deposit. Most employers have this available. This will make it easier for you to keep track of your money and you will never have to worry about losing your check!!!

Pre-Tax Payments – Work programs such as 401K and TSP take money out of your paycheck before taxes are taken out. If maintained and managed this can help you retire comfortably, however if you take money out of these programs prematurely you will be penalized and back taxes will be taken out of that amount.

- Opt to make cash payments whenever possible; try not to take on unnecessary debt; and set your parameters and stick to them!

III. KNOW THY LIMITS

There is only one thing worse than wanting what you can't afford - buying it. In order for you to truly be debt free, you must know what you can and cannot afford. Set limits on big purchase items and have a plan on how to pay for it.

EXAMPLE:

If your monthly Paychecks = \$4,000 and you want a new car that cost \$800 a month you will pay 20% of your total income to that one item.

Understanding the true value of something will help you decipher what you can and cannot afford each month. If you need the latest cell phone with all the apps that come with it, and it can substitute for several other things such as a laptop, television/cable bill and house phone (landline), then the value of that phone is justifiable to you. However, if you decide to purchase a new vehicle 'just for show' when you drive to a job that is maybe 5 or less miles away from your residence, then that is not reasonable. There are plenty of ways to stop over indulging like:

- 1) Buying used or refurbished electrical items (laptop) oppose to new ones
- 2) Buying clothes from the thrift store oppose to new ones
- 3) Buying a used, more fuel efficient car as opposed to a 20xx

The following table lays out a notional budget for a \$4000.00 monthly income:

Using \$4000.00 a Month Income	Rules of Thumb on Funds Distributions per Month
\$1120.00	Home = 28%
\$400.00	Home Maintenance/Utility = 10%
\$400.00	Savings = 10%
\$800.00	Car / Transportation + Gas = 20%
\$680.00	Food + Entertainment (including Cable) = 17%
\$400.00	Church/Charity = 10%
\$200.00	Telephone/Cell = 5%

Small Steps – If you have a hobby that you refuse to give up on--- like collecting CD's---or buying new shoes every year for your recreational sports league, try to get these items as cheap as possible. For instances, get shoes for the grip as opposed to style, or buy used CD's in good condition. I guarantee you will save upwards to \$20 or more. Remember it is not about not having things, it's about not having things at all cost.

IV. THOU SHALT PAY THY BILLS (On Time)

Paying your bills on time is the best way to build up your credit score and to stay out of debt. This is the most troublesome of all the Commandments. The first thing you should do is to determine what you really need and what you don't need. This can help cut into the amount you spend on bills. Do you really need the television package with all 996 channels? Do you really need the latest cell phone when your other one is still supplying all your needs? Do you really need the 20XX luxury sedan or hybrid or SUV? [you get the picture] These are questions that you should keep in mind when it comes to paying bills and the amount you want to pay. When paying the recurring big bills such as the mortgage, car payments, or college loans your aim should be to pay them off early. This can be achieved by doing two simple things:

- 1) Try to pay more than the minimum payment due
- 2) If it's a fixed bill (the same amount every month such as a car bill) pay more than the amount specified in the statement, if you can:

Account Number:	1234-6789-1235-10112
New Balance	\$ 1,000.00
Minimum Payment Due	\$15.00
Payment Due Date	01/01/2soon
Amount Enclosed	\$ _____ . _____

DID YOU KNOW:

- Your car value depreciates up to 20% as soon as you drive it off the lot

- You can negotiate your rates for your credit cards by working with the credit card company
- If you pay in excess of the base amount on fixed bills even \$5 you could save \$100's over time. By "over paying" you pay off the interest on your loans quicker.

V. AND IT WAS WRITTEN ...DOWN

In order to understand how you can get out of debt, and stay out of debt, you must know your expenditures for a given month. If your bills total more than your paycheck(s) you have big problems, but for the sake of argument let's say that you have money left over. What do you spend it on? Where does your money go? Write it down and there will be no doubt. Although you can keep track of this by having an online account with your bank or by writing your purchases down on a random piece of paper, we recommend a checkbook ledger. Even if you pay for most of your goods online (bills, DVD's, etc.) you can overdraw from your account, which can lead to some serious penalties.

EXAMPLE:

DATE / CHECK #	EVENT	DEDUCTION/DEPOSIT +/-	BALANCE
3 Jan - #2085	Cell Phone Bill	- \$100	\$400
4 Jan	Coach	- \$200	\$200
6 Jan	Clothes	- \$75	\$125
7 Jan	Club LIV	-\$110	\$15

Online Banking – Online Banking can be especially helpful when it comes to checking your balance, spotting miscellaneous fees, and quick transfers of cash from one account to another. However, it is very important to understand that if you pay your bills via mail, that the deductions will not appear in your online statement until the company has cashed the check. If you are not cautious and do not keep track of your own spending, you can find yourself in debt because you trusted the computer rather than your receipts.

Receipts – One way to know exactly where your money goes is to keep all of your receipts until you record them. Keeping

your receipts in your wallet or your purse will force you to sit down and go through and record them before you throw them away. This, will not only remind you of what you are spending money on, it will serve as an example of how often you spend money.

- If you recognize that you spend a majority of your money on one item such as shoes, clothes, cigarettes, etc. you can save by simply buying one less pack a week, or one less pair of shoes a month. Small steps can make a big difference!!!

VI. DO IT THYSELF

Although there are many ways you can cut your spending, one of the most overlooked is the ability to fix, prepare, or even create things for yourself. Being able to change your own oil (car permitting) or grow your own vegetables can go a long way. Doing things by yourself can provide entertainment for the family that is not only productive but also fulfilling. The more things you know how to fix or make yourself--the better.

- Things You Can Make/Grow For Under \$10

- 1) Tomatoes
- 2) Basil
- 3) Peppers
- 4) Baby Food
- 5) Bread
- 6) Soap (at least the book)

- Things You Can Fix Up Yourself That Cost More Than \$50

- 1) Toilet/Commode
- 2) Clothes (Sewing)
- 3) Sink
- 4) Painting
- 5) Furniture
- 6) Hair (Women & Men)

By doing or growing things for yourself you not only save money, you also get the added bonus of knowing where your food comes from and possibly eating a little healthier. This is just one step on the path to self-reliance and independence.

VII. LOVE THY NEIGHBOR

It has occurred to all of us that in order to pay bills you have to have money in the first place. We know and understand that times are tough and in some cases after you get paid, if you have a job, you may be out of money before the next payday. For this reason alone, the seventh commandment is one of the most important, “love thy neighbor.” By acting like a true community, you can help each other pull through some of the tough times. One example is to cook one large meal for the week and have your neighbor/friend do the same (meatloaf, spaghetti, etc.) and exchange dishes throughout the week. This will not only save you money while helping out each other, it will also allow you and your family to enjoy your mama’s famous spaghetti a little bit longer. Other ideas that can help your neighbor include:

- 1) Throwing rent/ mortgage parties
- 2) Giving used clothes away (especially baby clothes)
- 3) Carpooling when practicable
- 4) Planting a Community Garden
- 5) Swap Parties (a party exchanging older nice items with another guest)

Bartering Services – By bartering services you are actually exchanging skills instead of paying for others.

EXAMPLE:

If you help cater my rent party, I will help paint your living room.

VIII. USE CREDIT WHEN CREDIT WILL DO

Credit cards are a necessary evil. They can save you from starving and at the same time bankrupt you and keep you in debt for years and years. In order to make credit cards work for you, you must understand how to use them properly. Suggestions include:

- Have a Maximum of Two Credit Cards Per Person (3 per household) – You don't want to have too many credit cards because it creates the opportunity for you to spend yourself into a hole.
- Keep Your Credit Card Out of Reach – Try to make it a habit to not carry your credit card with you at all times. It may be a good idea to only carry it on the weekends or when you are going to buy a certain item. This will help decrease the urge to buy based on impulse rather than need. It will also help you keep down the total on your monthly payments for your credit card.
- Don't Use Your Credit Card to Pay Other Bills – To use your credit card to pay off another bill is merely delaying the payment and increasing the payment on your credit card, making the credit card less manageable and payments more expensive.
- Try to Pay More Than The Minimum – As shown in the Commandment III, if you pay the minimum on any bill you will not only compound your debt, but you will make it virtually impossible to ever get your balance to zero (especially with credit cards).
- Build Credit By Having Manageable Monthly Payment – Use your credit card to buy little things to help build up credit and get your credit score up. By limiting your purchases to items under a certain amount you will be able to better manage monthly payments.

- Be Able to Pay Over Time – Make sure that you get a credit card opposed to a charge card (such as an American Express). Credit cards are flexible and can be paid off over several months in small chunks. By paying whatever amount you can afford you free up money to pay off other obligations.

EXAMPLE:

If your Paycheck = \$1,000 and your Credit Card Balance = \$500 and the rest of your obligations = \$900, you can pay \$100 against the credit card balance. However, if you use a Charge Card that has a \$500.00 balance, the entire \$500.00 is due at the scheduled payment time.

DID YOU KNOW:

- The more credit cards you have the higher your credit score could be because you have access to more money. (How backwards is that)
- You have to pay off charge cards every month, unless you pay a monthly fee to be able to pay a little less.

IX. WISDOM IS BETTER THAN SILVER AND COLLEGE LOANS

Current students will be, future should be, and former students are, aware of the debt that a higher education can cost. College debt can easily become one of the major and compelling financial issues for people ages 22-45 years old. It is true that the higher your education the more you earn. This statistic is often trotted out to validate that college is worth the debt. However, paying back that validation can take time and money that you may not be able to afford to give. However, there are ways to get a higher education and not have to pay for it for up to a decade after you get your diploma. Here are some suggestions:

- **Consider Starting At A Community College:** Community colleges cost less, have smaller classes, and have transferable credits to a 4 year University
- **Apply For Scholarships Early & Often:** The more you look for scholarships the more scholarships you will find. Find out the details of them and work towards them
- **Trade School:** Not everyone is meant for the traditional routes of education. If you recognize that you are more interested in cars than calculus there is nothing wrong with going to a trade school. Remember, everyone needs to get around, everyone needs to wear shoes and clothes, and everyone needs a plumber at some point.
- **Go For The Best Fit Not The Best Name:** Every overachiever wants to go to the prestigious, world renowned, #1 ranked school. However, these schools are incredibly expensive, and may not be meant for every baby genius. Find a school that gives you the most for your money and fits you as a person.

- **Take A Year Off Before College:** I know and understand that it is incredibly difficult to leave academia and return. However, if you or your child has every intention of going to college for all the wrong reasons (parities, the opposite sex, freedom) it may be good for you or your child to stop and take a year to grow and appreciate the opportunity that is before him/her. This can also help financially by allowing more time to save money by getting a job and putting money away for college. This real world experience may focus a student on their goals when they are ready to attend school.

X. LOVE THY HABITAT (the place where thy honor dwelleth)

It has long been said that the “American Dream” is to own your own house. This dream has become a nightmare. Presently, people are unable to pay their mortgage, or unable to sell their homes because they are ‘underwater’. Yes, we are living in tough times when it comes to the housing market, however, you don’t have to settle, even in a house that you are currently in.

Pre Buy – Before you decide to buy a house, you should first list what you want. Because of the times we live in, it is better to buy what you want. Is it important to you to have a whirlpool, 3 bedrooms, no stairs, a washer and dryer, and a school close by? If so, put these items and others like it on your list. After you make the list of what you want, find the price range that you can afford (Not a house that you think you can afford, a house you know you can afford). Your list will crystallize and make sense and maybe that whirlpool isn’t a number one item but an accessory. After this you want to research what type of deal you can afford, 30 year fixed or 15 year fixed? Also because of the current market, try to find a house that you can grow into, especially couples, and not a house you can grow out of.

Post Buy – After buying your home, understand that it is a long-term investment and not a short turnaround for profit. Invest in your home and make it the house that you want. Increase the value of your home by upgrading items such as the flooring, kitchen cabinets, or bathrooms. Buying a house doesn’t mean that you only have to own and live in that specific house. If you put the work into your current house, you can rent it out to others who need a place to stay and perhaps move into a home that you feel fits your new needs.

- Bi Weekly Program – If you want to pay off your house quicker and have more money in between paychecks, try to sign up for the Bi-Weekly Payment Program. On a 30-year

mortgage, you could pay your mortgage off years earlier.
(You must be approved by whoever your loaner is for the
Bi-Weekly Payment Program)

EXAMPLE:

Monthly Payment Program - \$1000.00 per month mortgage
(12 payments per year)

Bi Weekly Program -\$500.00 every two weeks. This allows
you to make 26 payments in a year which equates to an extra
mortgage payment each year. On a 30 year fix-rate mortgage,
the home will be paid off in 23 years rather than 30 years.

XI. GOD BLESS THY CHILD THAT'S GOT THOU OWN

For all the people who have children, or one day hope to have some, remember this commandment and keep it close. Involve your child in financial discussions. The more that your child/children is/are informed and exposed to finances the better they will handle their own finances. This type of honesty with your children will better prepare them in their transition into managing monetary affairs of their own, such as saving for college or understanding how to deal with rising gas costs. The more the child sees and understands the more likely he/she will act more responsibly in matters of finance. Use these times to teach the next generation about money:

- 1) When you are paying bills (tell them what you are doing and why)
- 2) During family meetings
- 3) While shopping for any big ticket item (vehicle, home appliance, etc.)
- 4) When the children/child want a car
- 5) When discussing allowance

XII. ASK AND YE SHALL RECEIVE

There is no shame in admitting that you need help. Without the assistance of others none of us would be where we are in any phase of our lives. From owning your own business to working for the “man,” somebody taught us, hired us, recommended us, etc. for us to be here. Financial assistance is no different. You can learn all that you need to know about the system and how to get your money to work for you. Here are some suggestions:

Television/Entertainment – Between television, the Internet, and radio you can get all the free advice that you need on how to invest, manage, and maintain your money. (Be aware of scams – especially with online advice).

Black Advancement Credit Commandments – Yes, this is a shameful self-promotion, however I think that most people would be hard pressed to find as much good information in one place.

Magazines – Such as ‘Money’, ‘Black Enterprise’, ‘Fortune’ and others.

Financial Advisers At Your Bank – Every bank has a person whose job it is to breakdown some different options that you can use to have your money work for you. Whether it is opening up a savings account, a college fund, or a mutual fund, these bank employees will give you the information that you want for free (this may not apply with all banks, double check with your specific bank.)

MAKE SURE YOU:

- **Go Inside The Bank As Often As Possible:** The better they know you the easier it will be to get good unsolicited advice from them
- **Ask For What You Want And Then Some:** Be bold in your quest for information and financial support. If you need

five cents, don't ask for three cents ask for ten cents. But be able to pay it back.

Although the “Credit Commandments” has been created by Black Advancement Inc., we fully expect everyone who reads this booklet to contribute to it. This is only the first edition and we know that we didn’t capture everything on the first go around. So, if you desire to add to these “Commandments” or have comments on how we can improve upon this booklet or our other programs, please address them to the Black Advancement Inc. website www.blackadvancement.com or email us at blackadvancement@gmail.com.

All People Peace & Advance!!!