



Financial education lessons are given

By Thomas Geyer

When Rita Cunningham of Quad-City Interfaith went with what she called the Predatory Lending Taskforce to investigate loans from area businesses and banks, she was appalled.

The interest rates at places that offer car title loans or payday loans were beyond imagination, she said.

“The interest charged was between 200 and 300 percent,” she said.

And often, banks do not advertise about the home-buying options for lower-income people, she said.

That is why Quad-City Interfaith, with the backing of the Davenport Civil Rights Commission, the City of Davenport and even Davenport Mayor Charlie Brooke, held a financial education workshop Thursday at St. Mark’s Evangelical Lutheran Church in Davenport.

About 20 participants, most of them in the low- to moderate-income brackets and many whose English is limited, got an opportunity to learn from financial professionals about the importance of personal credit when buying a home, saving and investing, understanding interest rates and how to avoid predatory lenders.

Rev. Joseph Phung of Sacred Heart Church in Davenport, which has a diverse congregation, said that “many people with limited English skills are intimidated by the big banks.”

Deb Hinds, a mortgage loan officer with Quad-City Bank and Trust, explained to the participants the proper way to build credit, what their credit score means, and how their credit score is used in purchases, such as buying a home.

“It’s a credit score driven-world anymore,” Hinds said, adding that credit scores aren’t only appraised with someone is buying a home, but also when they are purchasing a car or even automobile insurance.

Credit scores in the 700s are good scores that lenders usually can easily work with, she said.

“About 35 percent of a person’s credit score is based on their payment history,” Hinds said. “Another 30 percent is based upon assets owned while 15 percent is based upon the length of a person’s credit history and 10 percent is based upon new credit.”

Dan Laubenthal, an investment representative with Edward Jones in Davenport, gave the group a lesson on the time value of money and how interest works for people who save.

He also discussed the dangers of credit cards.

“Credit cards are wonderful tools to work with as long as you use them responsibly,” he said. They should be paid off as quickly as possible, if not monthly, he added.

He also said people should develop habits of saving money, both for rainy days and for retirement, and get involved in the retirement plans their employers may offer.

“The happiest people I’ve worked with were not rich,” he said. “They were just diligent about putting money aside, regardless of whether it was \$20 or \$50 a month.”

Also participating in the program was Wells Fargo Bank, Valley Bank, Alcoa Employees & Community Credit Union and The Family Credit Union.

Another workshop will be held from 6-8 p.m. Monday at the Quad-City Botanical Center, 2525 4th Ave., Rock Island.

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