Spring Cleaning in Your Financial House

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Spring has sprung, and now is a great time to clean up your finances. Even if you recently reviewed your finances as you prepared for tax season, there still may be some items that could use attention. The following list touches on five commonly neglected areas.

1. **Credit cards.** Review the terms and conditions of your credit cards. Across the board, interest rates have increased and some credit limits have dropped. In addition, some card companies have begun to charge additional transaction fees and implemented new service charges. Remember, card companies must:

   - Disclose the important terms on the initial application **and**
   - Provide you with notice of any changes to their terms prior to enactment

   It's your responsibility to review the terms to stay informed. If you're unhappy with new terms, **be sure not to close an account hastily**; this can lower your credit score. Instead, use the card for small expenses and pay off the balance right away. Also, in some instances, you may be able to negotiate better terms. Check with your bank to find out.

2. **Bank fees and services.** Banks have new rules limiting what they can charge for certain services (e.g., overdraft protection and fees). As a result, many have instituted new charges or increased others to make up for potential profit loss. Common new fees may include:

   - Monthly maintenance charges
   - Check and deposit return charges
   - ATM/electronic fund transfer fees

   Review all of your accounts, even if they reside with the same bank. Terms vary from institution to institution, as well as from account to account within the same institution.

3. **Credit report and score.** Businesses inspect credit history when evaluating applications for credit, insurance, employment, and even leases. With so much in the balance, it is important to **check your credit report at least annually** for accuracy and to watch for fraud.

   Important: You are entitled to one free annual report from each of the three major credit reporting agencies—**Equifax, Transunion, and Experian**. You may consider using a website (e.g., ***annualcreditreport.com***) to gather this information, but be sure to choose a site that doesn't charge you for the report itself.

4. **Investments.** Take the pulse of your investment accounts regularly. Review insurance policies, annuity contracts, retirement plans, and educational savings funds. Discuss investment allocation, risk tolerance, and objectives with your financial professional to help ensure that you're on track to achieve your goals.

5. **Emergency fund.** If you don't have one, starting an emergency fund should be on your spring cleaning to-do list. Consider setting aside six months of expenses rather than the three months typically recommended. It may take longer to find employment in the current economic environment, so beefing up your fund now can help cover expenses should you or your spouse suffer a job loss.

These financial spring cleaning to-dos will take some time, but having them checked off your list will free you up to enjoy the season. And you'll feel more relieved, knowing that you've taken some important steps in helping to secure your economic future.

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