***MYTH #1***: If I loan money to a friend or relative, I will be helping them.

***Truth****:* The relationship will be stained or destroyed.

***MYTH #2***: By cosigning a loan, I am helping out a friend or relative.

***Truth***: The bank requires a cosigner because the person isn’t likely to repay. So, be ready to pay the loan and have your credit damaged because you are on the loan.

***MYTH #3***: Cash advance, rent-to-own, title pawning, and tote-the-note car lots are needed services for lower income people to get ahead.

***Truth****:* These are horrible, greedy rip-offs that aren’t needed and benefit no one but the owners of these companies.

***MYTH #4***: Playing the lottery and other forms of gambling will make me rich.

***Truth***: The lottery is a tax on the poor and on people who can’t do math.

***MYTH #5***: Car payments are a way of life, and you’ll always have one.

***Truth***: Staying away from car payments by driving reliable used cars is what the typical millionaire does. That is how they became millionaires.

***MYTH #6***: Leasing your car is what sophisticated financial people do. You should always lease things that go down in value. There are tax advantages.

***Truth***: The way to minimize the money lost on things that go down in value is to buy slightly used.

***MYTH #7***: You can get a good deal on a new car. ***Truth***: A new car loses 70% of its value in the first four years. This is the largest purchase most consumers make that goes down in value.

***MYTH #8***: I’ll take out a 30-year mortgage and pay extra, I promise.

***Truth***: Life happens! Something else will always seem more important, so almost no one pays extra every month. Never take more than a 15 fixed-rate loan.

***MYTH #9***: It is wise to take out an adjustable or a Balloon mortgage if “I know I’ll be moving.”

***Truth***: You will be moving when they foreclose.

***MYTH#10***: You need a credit to rent a car or to make purchases online or by phone. ***Truth***: A debit card will do all of that, except for a few major rental companies. Check in advance.

***MYTH #11***: “I pay mine off every month with no annual fee. I get brownie points, air miles, and a free hat.

***Truth***: When you use plastic instead of cash, you spend 12 – 18% more because spending cash hurts. So what if you get 1% back and a free hat?

***MYTH #12***: I’ll make sure my teenager gets a credit card so he/she can learn to be responsible with money.

***Truth:*** Teens are a huge target of credit card companies today.

***MYTH #13***: The home equity loan is good for consolidation and is a substitute for an emergency fund.

***Truth***: You don’t go into debt for emergencies.

***MYTH #14***: Debt consolidation saves interest and you get just one smaller payment.

**Truth**: Smaller payments equal more con in debt.