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Nonprofit Guidewell Financial Solution Shares Top 10 Financial Predictions for 2017

(BALTIMORE) To ring in 2017, [Guidewell Financial Solutions](#)' staff experts make these 10 financial predictions:

- Escalating consumer spending and predatory lending.** President and CEO Helene Raynaud predicts that consumer spending will continue to rise in 2017, while some lending regulations and consumer protections are likely to roll back. She says, "As a result, consumers will be inundated with creative and possibly 'too good to be true' financing, refinancing and debt consolidation offers. Understanding the terms and impact of these products on your credit and financial health are critical skills that non-profit, community-based organizations like Guidewell Financial help consumers learn."
- Increased hope for the credit invisible.** Director of Counseling and Client Services Tiffany Scalzo predicts that families who don't use traditional credit and who have been unscorable to this point will come into the light. Scalzo says, "Research has shown that those who fall into this category may be good credit risks. Here at Guidewell Financial, we applaud this development, because we believe access to credit often means access to meaningful opportunities."
- New credit scoring data.** Director of Business Development Devon Hyde predicts an increased use of alternative data such as rent, phone, and utility payments in figuring consumer's credit scores. She says, "Credit scoring models often exclude people with limited credit histories, even if they regularly pay their bills on time! This year, nonprofit agencies like ours will pilot innovative programs such as rent reporting and payment toward savings vehicles to help them build and improve their credit."
- Mounting credit card debt.** Director of Education Nina Heck predicts the total amount U.S. consumers owe on credit cards will reach an all-time high. She says, "We experienced an \$80 billion increase this past year. This trend will continue. The average household now owes \$7,941 in credit card debt. Those who don't pay their balance in full each month may end up in trouble due to higher interest rates. Free, nonprofit [credit counseling](#) can help them avoid this situation."
- Housing Market will be brisk.** Community Relations Manager Chesca Stein predicts that mortgage interest rates and homeownership numbers will both go up in 2017. Stein says, "Consumers know that loan rates are likely to increase. This may compel some of them to buy. Millennials will help fuel homeownership growth. Realtor.com reports that 61% of first-time homebuyers will be

millennials, because they're finally ready to leave home, get married, or start a family, and have saved enough to buy."

6. **Growing affordable housing scarcity.** Housing and Community Development Director Tom Simonton predicts that affordable housing will become a greater issue in 2017. He says, "Buying is more affordable than renting in many markets. However, home prices are rising at a 5 percent annual rate, double the increase in income. Interest rates are expected to grow as well. These factors could leave low and middle-income renters and buyers priced out of affordable housing in urban areas and on the coasts."
7. **HAMP-related mortgage modification changes.** Housing Counselor Matt Gregory predicts that at-risk homeowners seeking mortgage modifications may face a different playing field in 2017. He says, "Now that the Home Affordable Modification Program (HAMP) has expired, mortgage servicers no longer have to review cases before foreclosing. The jury is still out on how new Federal housing programs and non-binding CFPB guidelines will affect consumers who are struggling to pay their mortgages."
8. **Greater need for student loan counseling.** Financial counselor Natia Hill predicts borrowers will need more help than ever dealing with student loan debt. Hill says, "On average 2016 graduates left school owing \$37,172, up six percent from last year. Repayment options exist -- especially on Federal loans, but these could change. Reputable nonprofit [student loan counseling](#) is needed to help grads navigate the repayment process and avoid delinquency."
9. **More financial transactions made by smartphone.** Educational Outreach Coordinator Kylie Delgado predicts that more consumers than ever will conduct financial transactions using their mobile phones. Delgado says, "According to a 2016 Federal Reserve study, 28% of smartphone users made at least one payment by smartphone this past year. This practice is likely to expand, especially among consumers who are short on time and who don't want to wait the extra seconds needed to complete chip credit card transactions."
10. **Identity theft and personal fraud increase.** Community educator Dan Florea predicts that consumers are more likely to have their personal identities and data stolen this year. He says, "Older forms of theft like dumpster diving and phishing will continue to be a problem while new vulnerabilities arise due to our reliance on mobile phone apps, social media, and cloud-based technologies. To protect themselves, consumers will need to stay informed and take precautionary measures."

[CLICK HERE](#) to meet Guidewell Financial's experts and access video interviews on consumer finance trends for 2017.

About Guidewell Financial Solutions

Guidewell Financial Solutions (also known as Consumer Credit Counseling Service of Maryland and Delaware, Inc.) is an accredited 501(c)(3) nonprofit agency that helps stabilize communities by creating hope and promoting economic self-sufficiency to individuals and families through financial education and counseling. Maryland License #14-01 / Delaware License #07-01