

More Debt Help

HOW TO NEGOTIATE LOWER CREDIT CARD RATES

**From bankrate.com*

A five-minute phone call to your credit card issuer could save you hundreds, even thousands, of dollars in interest charges. Check out the results of a national survey conducted by the U.S. Public Interest Research Group in March 2002. Fifty consumers of all credit backgrounds called credit card issuers and asked for lower rates. More than half, 56 percent, scored lower rates. How low did the rates go? The 28 consumers who landed lower rates saw the APRs on their cards drop from an average of 16 percent to 10.47 percent. It can't hurt to ask— Use the following script:

Hi, my name is [Your Name]. I am a good customer, but I have received several offers in the mail from other credit card companies with lower APRs. I want a lower rate on my card, or I will cancel my card and switch companies.

If you are denied a rate reduction, try again another day or ask for the manager. You may reach a more cooperative customer service rep or get to someone who can actually help you. Be persistent and make it clear that you'll close your account if your interest rate is not lowered. Keep your request simple. Use a line such as “What can you do to help me out?” or “Can you do any better?” If your card company won't budge, it's time to start looking for a better deal.

CREDIT COUNSELING

For serious credit issues that can't be resolved by what we've covered here today, you may need to call a credit counselor. Understand that doing so will probably affect your credit rating. Following is information that may be helpful in choosing a credit counselor, as well as red flags to watch out for.

How Credit Counseling Works

- Once you have selected a reputable credit counseling agency, you will be asked to provide information about your income, expenses and debts. The counselor should analyze the information, discuss your situation with you and make recommendations to help you address your financial problems. These suggestions may include participation in an educational class, enrolling in a debt-management/repayment plan, or referral to another organization, such as a relationship counseling or state employment agency, for assistance to address any non-financial situations you may be experiencing.
- Choosing an Agency
 - If you decide to work with a credit counseling agency, spend some time researching your options and take care to select a reputable agency. Your goal should be to find a credit counseling agency that has satisfied clients, offers personalized service from trained counselors, can educate you how to make appropriate financial choices and will provide you with the tools you need to achieve financial security.

More Debt Help, cont.

Carefully evaluate advertisements. Just because a credit counselor has a big advertising budget does not necessarily mean it is the best! Also, you would be wise to ignore telephone calls or e-mails that arrive "out of the blue" from credit counselors offering their services. Good credit counselors often rely on past clients for referrals; they do not need to solicit business through constant television advertising, infomercials, telemarketing or spam e-mails.

Interview several agencies.

Is the agency licensed and accredited? Many states require that a credit counseling organization register or obtain a license before offering credit counseling, debt management plans and similar services. Do not hire an organization that has not fulfilled the requirements for your state.

Consider the qualifications of the counselors. Ask if the counselors are certified and by whom? Try to select an agency whose counselors are certified by an outside organization.

Are services personalized? A cookie-cutter approach most likely will not address your financial situation. Find out if the counselor will devise a plan tailored to fit your personal circumstances. Also, think beyond your immediate credit/debt problems and find out if the agency will offer you advice on avoiding problems in the future.

What about privacy and security? What assurances do you have that the agency will keep information about you confidential?

Gain a clear understanding of the services offered.

Check their complaint records.

Get verbal promises in writing. Only do business with agencies that offer formal written agreements or contracts.

Fees. Get a clear presentation of the fees you will be charged. If there are fees (set-up fee, monthly service charges), the agency should explain what they are based upon. In general, you should not expect to pay more than \$75 in set-up fees or make a monthly payment that exceeds \$40.

Are budget and credit education opportunities offered? Reputable organizations are willing to help you manage your finances through counseling and education. If the agency insists that a debt management plan is the only option for clients, look elsewhere.

CREDIT COUNSELING AGENCIES

Debt Reduction Services of Idaho 6213

North Cloverdale Road, Ste 100, Boise
208-378-0200

Family Credit Counseling Services

www.familycredit.org
800-994-3328

Consumer Credit Counseling

www.cccsintl.org
1-800-873-2227

Debt Management Plans

WHAT ARE THEY? A debt repayment or debt management plan (DMP) is a creditor-approved arrangement that allows you to repay your unsecured debts at reduced interest rates. The credit counselor will negotiate with creditors to reduce interest rates, eliminate late fees or other penalties. In turn, you will be expected to make a regular monthly payment to the credit counseling agency. Your payments are then used to pay your creditors according to a payment schedule the counselor has developed in consultation with you. Some credit counseling agencies charge a modest monthly fee for managing the plan; others charge a more significant fee. Agencies that are members of the National Foundation for Credit Counseling and the Association of Independent Consumer Credit Counseling Agencies are bound by standards that limit the charges for their services. Some states also have strict limitations. Before enrolling, ask what the cost will be. A successful DMP generally takes 30 to 60 months to complete. If you are enrolled in a DMP, the agency should provide regular statements to you showing how your funds were distributed. If you discover that your creditors are not being paid, contact the counseling firm immediately. DMPs usually cover only your unsecured debts. If you have secured debt - such as a car loan or a mortgage - you must continue to make payments to these creditors directly or you could lose your property. Ask which debts will be included and excluded from the DMP.

RED FLAGS THAT SIGNAL TROUBLE

The following can indicate that a particular agency is not abiding by good business practices.

Demands that you provide account numbers or other financial details before it will discuss its services or fees. Reputable credit counseling agencies are happy to provide free information upfront about their services.

Boasts that it can "lower your monthly payments by 30 to 50%." This bold statement is rarely, if ever, true.

Promises that it can "get you out of debt easily." Getting out of debt is rarely an "easy" task. Avoid counselors who promise a quick and easy way to fix your credit problems.

We won't need much time. Steer clear of any agency that claims it can evaluate your situation in just minutes, or that offers to do so quickly over the phone. Experienced counselors may want to spend close to an hour with you reviewing your financial situation before recommending how to address your financial condition, and may offer follow-up sessions.

Claims that it can remove negative information, such as bankruptcy, from your credit report. It is illegal to make such a representation if the negative information reflects your true credit history. Accurate information cannot be removed from a person's credit report.

Issues a blanket recommendation for a debt management plan. DMPs are not for everyone. Do not agree to establish one unless and until you have reviewed your personal situation with a certified credit counselor who recommends such a plan and then customizes the plan to best manage your debt.

Insists that you make an immediate decision. Reputable credit counselors will permit you time to evaluate their offer, shop around and make a determination that best suits your financial situation. As you are doing your research, however, remember that timing is critical when addressing your financial situation. Delays can cause your circumstances to worsen.

Money Saving Tips

CLOTHING

- Purchase at the end of the season, on sale
- \$150 brand name sneakers are absurd
- Many times designer clothing is made in the same place as other clothes, only with a different label

EDUCATION

- Pay tuition on time to avoid paying interest
- Teach children to be independent at a very early age and to have part time jobs
- Parents or grandparents could invest \$10,000 per child at birth to help with college tuition
- College money help, free scholarship searches, and free college finance calculators:
 - For students:
 - 800-891-1410
 - collegeanswer.com
 - For parents:
 - 800-891-1410
 - parentanswer.com
 - For information on consolidating student loans: 800-448-3533 or loanconsolidation.ed.gov
 - Free scholarship searches:
 - Xap.com
 - Collegeboard.com
 - Princetonreview.com
 - Fastweb.com
 - Finaid.com

ENTERTAINMENT

- Use library books, videos, DVDs
- Exchange or barter the same with friends or buy them at yard sales
- Sell your cds at www.cashforcds.com
- Find music and books up to 90% off at www.salebooks.com or call 800-395-2665 for a catalog

FOOD

- Almost 25% of all food purchases are thrown out
- Start with small servings and put only food on your plate that you will eat. It costs \$3 to replace \$1 of wasted food.
- Purchase in bulk from wholesalers or discount stores
- Use a freezer and rotate the food
- Minimize or eliminate purchase of junk food. Cost is 12 to 100 times more than whole food
- Minimize purchase and use of ready made meals

Money Saving Tips cont

- Buy on sale and stock up
- Save and use coupons. If you are organized, you can make \$25-\$50 an hour
- Read labels and buy the best nutrition for your food dollar
- Join a local food co-op
- Drink water instead of soda which is expensive, has no food value, and is harmful to your teeth and body

HOME

- Purchase a low-maintenance, realistic size home if the house payment is close to the rent cost
- For all major repairs and remodeling, write specifications, then get multiple bids
- Refinance when appropriate for lower interest and lower payments to have more money to invest

HOUSEHOLD APPLIANCES AND OTHER PURCHASES

- Write specifications first
- Check *Consumer Reports* magazine
- Purchase the most energy-efficient appliances available
- Get competitive bids
- At the end, negotiate a lower price still and/or free delivery and installation
- Pay cash to avoid interest

INSURANCE

- Write your auto insurance specifications and get several bids; prices can vary up to \$3,000 per year for two autos
- Ask for non-smoking and non-drinking policies and all other discounts applicable
- Combine all insurance with one company where possible for maximum discounts
- If your life insurance policy is older than three years, chances are you are paying too much
- For most life insurance needs, purchase only term insurance

TELEPHONE

- Write specifications first, then call and get bids. Remember to compare apples to apples
- With new laws, competition is far greater: 25-40% reduction is possible
- Purchase your telephone. Almost 15 million people, mostly elderly, still lease and waste money needlessly each month
- Generally, lower prices can be had by one provider for telephone, internet, and cable

TRANSPORTATION

Vehicles are used to go from point A to B. Your automobile should not be an ego trip. Don't try to keep up with the Joneses because they may be almost bankrupt.

- Purchase quality, one-owner, low-mileage, used cars from individuals you know and trust.
- Avoid leases and car payments
- See if you can get by with one car
- Change your own oil and filters if you have time
- Wash your own car— saves you time and money (\$300 a year)

Preparing Your Will

QUICK TIPS

- Go to crown.org to download a free “Will Planning Kit” complete with summary information sheets to fill out to help your attorney prepare your will
- As you gather the needed information, write down questions you wish to ask your attorney
- At some point during the process, you will probably want to discuss your desires with your grown children, other beneficiaries, and definitely anyone you plan to name as a guardian of your children
- If you are going to leave a bequest to an organization or charity, it is helpful to notify them of your intentions
- After the will is prepared:
 - Leave a copy with your attorney
 - Put one copy in your safety deposit box
 - Put another copy in a safe place in your home where it is accessible
 - Give a copy to your executor if you desire

INFORMATION TO GATHER TO HELP YOUR ATTORNEY PREPARE YOUR WILL

- Family Information
 - Name, address, phone numbers
 - Date of birth, place of birth, citizenship
 - Social Security number
 - Name, age, address of all children and grandchildren
 - Name of other intended beneficiaries
- Personal Information
 - Do you have a will or trust now?
 - Do you wish to give the durable power of attorney designation to anyone for financial or health care purposes?
 - Do you wish to execute a living will?
- Financial Information
 - Real estate owned and how it is titled
 - Stocks, bonds, mutual funds, retirement plan assets, IRA and Roth IRA accounts
 - Partnership or corporate business interests
 - Significant personal property (jewelry, china, silver, recreation equipment, etc.)
 - All bank accounts– checking, savings, money market, cds, etc

Preparing Your Will, cont

- Financial Information, *cont*
 - Dividends and interest
 - Real estate and any other income
 - Mortgages, trust deeds, or loans
 - Other debts
 - Credit Card debt
- Beneficiary Information
 - How are children to benefit?
 - How are grandchildren to benefit?
 - How are other loved ones or friends to benefit?
 - How are other organizations or charities to benefit? (List complete name and contact information of each organization along with amounts or percentages of the estate each will receive.)
 - Also list any specific items to be left to specific persons, such as jewelry, china, silver, antiques, etc.
 - Who will receive your property if your spouse and children are deceased at the time of your death?
- Fiduciary Appointments
 - Who are your desired executor and alternate executor?
 - Who are your desired guardian of minor children and alternate guardian?
 - Who are your desired trustee and alternate trustee if a trust is required?

**From Crown Financial Ministries*

Additional Information About Mentoring Relationships

INTRODUCTION

Beyond these general parameters, what happens in a mentoring relationship has unlimited potential. The appeal of mentoring is that it is oriented toward the needs of individuals. Drawing a “one-size-fits-all” blueprint for effective mentoring would not be feasible. However, mentoring is not a completely spontaneous endeavor. Based on years of experience, mentors have collaborated and prepared guidelines for the many aspects of the mentoring relationship. The following paragraphs will provide material to be used to further understanding of a mentoring relationship, to initiate a relationship, and to enhance opportunities for success.

WHO IS A MENTOR?

- A mentor plays many roles. In the historical sense, a mentor is one who:
 - Is a loyal friend, confidant, and advisor.
 - Is a teacher, guide, coach, and role model.
 - Is entrusted with the care and education of another.
 - Has knowledge or expertise to nurture another person of ability.
 - Is willing to give what he or she knows with no expectation of reciprocation or remuneration.
 - Represents accomplishment, knowledge, skill, and virtue.
- The most effective mentors offer support, challenge, patience, and enthusiasm while they guide others to new levels of achievement. They expose their mentees to new ideas, perspectives, and standards, and to the values and norms of society. Although mentors are more knowledgeable and experienced, they do not view themselves as superior to those whom they mentor.
- Once a person has decided to become a mentor, questions arise about how to establish a productive mentoring relationship. Knowing the expected stages of a mentoring relationship, as well as the mentee’s personal characteristics, family, and socio-economic status (race, gender, age, economic status, family status) will alleviate many of these anxieties for the mentor.
- Establishing a positive mentoring relationship is very much like establishing other valued human relationships. Both parties must have a genuine desire to understand the values and expectations of the other person, and both parties must become sensitive to the other’s feelings and needs. At the same time, mentoring relationships differ from personal relationships because they are professional in nature. Mentors are responsible for conveying and upholding the norms, values, and goals that are mutually agreed upon in the mentoring contract.

The Stages of a Mentoring Relationship

- Any successful mentoring relationship will move through four definite stages. The time spent in each one of these areas will differ from relationship to relationship, but the progression is uniform.
- STAGE 1
 - The mentor and the mentee become acquainted and informally clarify their common interests, shared values, and future goals and dreams. If taking time to become acquainted with one another's interests, values, and goals is given a high priority, the relationship seems to get off to a better start.
 - In this stage, there may be a lack of communication, or difficulty in communicating. The relationship may remain in this stage from one to six meetings.
 - Mentors must be careful not to allow their preconceptions to dictate how they will approach the relationship and define who they think the mentee should become. While charting a course for her approach to the relationship, the mentor must consider three factors:
 - The relative eagerness the mentee brings to this relationship.
 - The similarities in your personal styles (animated, low-key; spontaneous, reflective; gentle, harsh; reticent, boisterous).
 - The similarities in your expected short- and long-term goals.
- STAGE 2
 - The mentor and mentee communicate initial expectations and agree upon some common procedures and expectations as a starting point. In the less likely event that the two individuals may not be compatible, the pair is able to part on a friendly basis. In stage 2, there will be more listening, sharing, and confiding in one another. Values will be compared, and personal concerns will be expressed. During this stage, the mentor will likely be introduced to the mentee's family. The relationship may remain in this stage from one to three months.
- STAGE 3
 - The mentor and the mentee begin to accomplish the actual purposes of mentoring. Gradually, needs become fulfilled, objectives are met, and intrinsic growth takes place. New challenges are presented and achieved. Stage 3 is the stage of acceptance, but it is also a stage of change, where a mentee is more likely to exercise self-discipline.

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