



PacificDebtInc

Understanding Your Debt Settlement Company • Client Reminders

- Treat Yourself To A Frugal Road Trip
- Tips Can Help Battle Budget Burnout
- Credit Corner • Spare Change



Understanding Your DEBT Settlement Company



Enrolling in a debt settlement program means that you have taken an important step in getting back on the right financial track. Working with your settlement company and understanding the settlement process can help you achieve financial freedom in the future.

Maintain Communication

For your program to work effectively, you should make your debt settlement experience a team effort. If you have any changes in contact information it is important to notify customer service staff as soon as possible. In addition, you should keep all paperwork, statements and letters related to your debt and send them to your settlement company regularly. This simple step could make it easier for staff to answer your questions and easily access your information when negotiating a settlement.

Practice Patience

Every individual situation and each program is unique. It is important to remember that some clients may resolve their debt in a few years while others may take longer. A variety of

factors, such as the amount of debt you owe and your monthly payment amount, can affect the progress of your settlement. Try to keep in mind that your program may take time and you may have to endure some delayed gratification until all of your accounts are settled. However, if you work closely with your settlement company, you should find upon completion that patience can be a key factor in avoiding unwise purchases in the future. Also, increasing your program payment, even if just by a small amount per month, can shorten the time it takes to complete your program.

A Word About Your Credit

You may be concerned with your credit score and that is understandable. Although your credit score will be affected while you are in the program, try to keep in mind that the sooner you settle all of your debt and graduate from the program, the sooner you can begin rebuilding your credit score.

A Support System

Although you are enrolled in a debt settlement program, your creditors may still try to contact

you. Your debt settlement staff can help field some of this creditor contact. They have experience in handling creditors, collectors and debt issues and know the steps that need to be taken to best serve their clients.

Settlement Account Basics

Your success in the program is based largely on how much and how often you deposit funds into your settlement account. You may ask customer service staff to work within your monthly budget to find a deposit schedule that is affordable to you. Usually, your debt settlement company will negotiate with each of your creditors one at a time. Your funds will be released to creditors only after a settlement has been negotiated. However, keep in mind that the more you can contribute towards your settlement account, the greater your chances are of settling a debt!

Try to remember that your success depends on you. Learn everything, take advantage of all you can and you will be ready for financial freedom!



Communicating With Your Settlement Company: An Overview



- If you have a change of contact information, it is important to notify your debt settlement company as soon as possible so that your callback numbers are current. Your settlement company will be contacting you for various reasons, including settlement offers, which may be time sensitive.

- Make sure you promptly send all of your debt-related information to your debt settlement company. In addition, keep a record of your information at home.
- Clients should update staff with all communication they have had or received from any creditor.
- Clients should take advantage of all educational material offered by their settlement company and ask questions as soon as possible if they have any concerns.
- Visit your settlement company website for news and information!

Credit Corner



Maintain An Organized System

Be sure to pay all of your bills in a timely manner. Once you obtain a credit card, you should resist excessive charging and only charge what you can

pay off each month. Stay current with your bills and keep debt at a minimum.

Balance Your Credit Card Debt

When your credit balance is close to your credit limit, it lowers your score. Establish a goal to have 50 percent of your credit limit or less charged on any credit card you own, at all times.

Types Of Credit

Initial credit card offers directed at individuals who are seeking to rebuild their credit may include high interest rates and fees and limited lines of credit.

Be sure to carefully



read all materials on a credit card before applying. Try to take the time to read all fine print and consider fees and interest rates.

Secured Credit Cards. According to www.CreditCards.com, secured cards require applicants to open a savings account that secures their credit limit, protecting the issuer in case the cardholders cannot pay their balances. Secured cards may charge annual fees and other upfront fees.

Try to be aware that there are fees associated with most secured credit cards. For more help on secured credit cards you may visit the personal finance section at www.FoxBusiness.com.

Store Or Gas Credit Cards. These cards may be easier to qualify for but may have a higher interest rate and lower credit limit. These cards are usually only accepted at particular merchant or groups of merchants.

Prepaid Cards. Prepaid cards are payment cards that operate similar to gift cards.

Card owners may load funds directly onto the card and purchases are deducted from that amount. Some prepaid cards may offer a credit-building component for a fee. However, most prepaid cards don't typically report to any of the major credit reporting agencies.

You might want to read the terms and conditions and compare costs of the cards you are considering.

For more information on various prepaid cards visit <http://www.creditcards.com/prepaid.php>.

Once you complete your settlement program it is likely that you will want to reestablish your credit.

This month, Credit Corner offers a few strategies that may help.

Find Out Where You Stand

If you haven't already done so it would be a good idea to visit the *Annual Credit Report* website at <https://www.AnnualCreditReport.com> to obtain a free copy of your credit report. You may obtain one free report each year from Equifax, Experian and TransUnion.

In addition, if you do not already have one, this might be a good time to open a savings account which can help show some financial stability on your part. According to www.CreditCards.com you may be able to use a well-managed savings account as collateral on certain types of loans.

Spare Change

What To Do If You Lose Your ATM Or Debit Card

Keeping track of your cash and debit or ATM card is part of everyone's financial responsibility. However, sometimes accidents or mistakes happen. Your wallet may get lost or stolen with your cards and money inside, a situation that could instill instant panic in any consumer. However there are steps you can take to protect yourself.



Protect Your Personal Identification Number (PIN).

If your PIN is completely secret, thieves will find it more

difficult to use your card in the event of your privacy being compromised. For your own protection you should always keep your PIN number private. Not even the bank employees should know this information. Try to memorize your PIN. If you need to write it down make sure it is in a safe and secret location, not in your wallet or any electronic mobile device you may carry.

Report The Loss Immediately. Make sure you know your bank or credit union's toll-free customer service number and notify them of the loss, as well as any unauthorized withdrawals or transfers that have been made, as soon as possible. You can usually find your bank's toll-free customer service number on the back of your ATM or debit card. It might be wise to write this number down and keep it in a place where you can access it easily in case you need it in an emergency.

According to the Federal Trade Commission (FTC) at www.FTC.gov you might also want to send a follow-up letter to your bank with an explanation of the loss, when it was reported and on what day as well as your account number.

Consumer Liability. According to the FTC, a consumer's liability may depend on

how soon the loss of the card is reported to the bank as well as other factors. As a precaution, you may want to

contact your bank to find out what policies they have regarding lost or stolen cards.

Communication A Key To Saving

A recent online poll by the National Endowment for Financial Education (NEFE) at <http://www.Nefe.org> found that approximately 30 percent of those surveyed hid a statement or a bill from their partner, 16 percent hid a major purchase, 15 percent kept a secret bank account, 11 percent were not truthful about their debt and another 11 percent hid information about how much money they earned. It might be a good idea to sit down with your partner and honestly discuss personal spending goals. Or, you may also talk to a trusted, financially responsible friend who could help propel you into action. The idea is to find someone you can talk to and trust who can serve as a mentor.



Tips Can Help Battle Budget Burnout

Try not to think that tackling debt is about self-denial. If you've made poor financial choices in the past, you may need to make some minor adjustments and short-term sacrifices in order to get out of debt. Smart personal finance can be self-fulfilling!

Keep Things Exciting. Take a look at your interests and learn something new. Try hobbies such as gardening, canning or soap making to name just a few. If you love animals, you could consider volunteering at your local animal shelter. You could also take time to help out a friend or family member. Consider things that you never imagined yourself doing and try them! A simple break in routine could help you reconnect and recharge.



Remember Your Goal. You may feel more motivated to pay off your debt when you consider the end result. What makes you feel excited about your goal?

Perhaps you want to travel after you've paid off your debt and keeping a photo of your 'dream vacation' destination doesn't excite you as much as it used to.

How can you change your perspective? For example, if Germany is your destination after debt, you might purchase a compact disc or download some Oktoberfest tunes. Or maybe there's a great German restaurant in your local area where you could dine and savor the day when you are debt free and able to travel to your destination!

The idea is to find fresh and exciting ways to maintain your focus and direction. Then, when you are tempted to spend on something you don't really need it may be easier to remind yourself why you are paying off debt and how

your money can work for you after you are finished with your debt settlement program.

Remember To Treat Yourself. Try to cut yourself some slack to purchase a small treat for yourself each month or however often your budget allows.



Review Your Plan. Are you trying to tackle too much at once? Choose a few frugal skills that you want to work on. Then, master them before you move on to something else. Schedule time each month to review your progress and find ways to renew your commitment to get out of debt.

Treat Yourself To A Frugal Road Trip



Being frugal and maintaining a budget can be hard work. Taking a frugal road trip can help you relax, refocus and enjoy a change of scenery.

Your Destination. Consider places that are within a reasonable driving distance. If you want to visit a particular amusement park or museum, you could check their website or call them to find out if they are offering special discounts or promotions during certain holidays or events. For attractions, you may want to Google the name of the attraction you plan to enjoy and then follow that by typing 'discount.' If you plan to visit a particular city or town, check with that area's local convention and visitor's

bureau to get ideas for frugal fun when you arrive. The Cities On The Cheap website (<http://www.citiesonthecheap.com/>) may help you find information regarding travel route and destination offers.

In addition, planning your route carefully can also help you save on gas. Make sure you won't be doing any backtracking or making any out-of-the-way trips.

Budgeting For Your Trip.

After you decide where you would like to go, carefully consider what you will be able to spend on lodging, meals, activities and gas.

Doing this may narrow down how long your road trip can last. Packing healthy snacks such as dry cereal or nutrition bars may cut back on food expenses. If you enjoy the outdoors, staying at a campground might be a more affordable alternative to staying in a motel or hotel. If you are a member of American Automobile Association (AAA at <http://www.aaa.com>), you might be eligible for discounts at various vacation destinations. Try to leave a little extra spending room in case of unexpected emergencies such as car repairs or medical expenses.

Staying Within Your Budget. Although it would be wise to take some cash with you, a

prepaid credit card may also be a good idea to help you stick within your budget. You might want to make sure about the fees associated with particular prepaid cards before you obtain one.

Get Your Vehicle And Home Vacation

Ready. To lessen the chances of a vehicle breakdown consider checking your tires, interior and exterior lights, wipers, fluids, oil and other important mechanical factors. If your vehicle isn't ready for a longer road trip consider whether renting a car for a few days would fit into your budget. A well-prepared vehicle might also help you save on fuel. Try not to post anything online about going on vacation or leaving home for a few days. You might want to ask a trusted friend or neighbor if they could gather your mail while you are away so that it doesn't accumulate and advertise that you are absent.

Be Prepared. Make sure you bring basic necessities including a good map of the area you are traveling to (even if you plan to use a GPS). Try not to forget items such as flashlights and extra batteries, a blanket, a first aid kit and rain ponchos. Try to anticipate everything you might need to avoid unnecessary, last-minute spending.



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