

Deal with DEBT

GET OUT OF DEBT ON YOUR OWN OR WITH HELP

Whether it's from living above your means, expensive medical bills, a job loss, or supporting your parents, you can eliminate debt. The first step is to avoid getting deeper in debt. Limit spending to essentials and follow a plan to pay down the debt.

ON YOUR OWN

- Cut up credit cards or put them away until they are paid off.
- Rank order what needs to be paid off – student and other loans, credit cards, etc.
- Contact your creditors right away to work out payment plans that you can manage. Do this before debt collectors get involved. If you can't work out a plan with your mortgage company, contact the local office of the Department of Housing and Urban Development or the housing authority in your state, city, or county for help in finding a legitimate housing counseling agency near you.
- Bring in more income from a part time job and selling household items you no longer need at a garage sale or online site, such as Ebay. Consider selling some of your gold and silver jewelry for cash.

GET PROFESSIONAL HELP FROM

- A professional financial planner through work
- The Financial Planning Association (FPA) at 800.647.6340 or www.fpanet.org
- The National Foundation for Credit Counseling at 800.388.2227 or www.nfcc.org/FirstStep/firststep_03.cfm.

BEWARE OF ANY DEBT RELIEF SERVICE THAT*

- Charges any fees before it settles your debts
- Pressures you to make "voluntary contributions," another name for fees
- Touts a "new government program" to bail out personal credit card debt
- Guarantees it can make your debt go away
- Tells you it can stop all debt collection calls and lawsuits
- Guarantees that your credit card and any other debt not tied to an asset, such as your house, can be paid off for just pennies on the dollar
- Offers to enroll you in a debt management program (DMP) without teaching you skills to budget and manage your money

*Adapted from www.ftc.gov/bcp/edu/pubs/consumer/credit/cre19.shtm

