

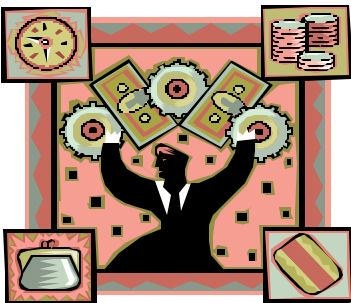
Defeat Debt

Credit Advisors Foundation

Volume 48, Issue 9

Basic Guide to Post DMP Borrowing

There is a light at the end of the tunnel. You have worked hard through your debt management program to become debt free. You have learned how to budget, maintain your motivation and create goals as well as achieve them.



You've gained many tools to help you in your efforts to maintain your financial freedom

Yet now, the end is in sight. Soon you'll be finishing your debt management program and will be faced with a number of new credit and debt realities.

First, as you well know, credit and debt is still a major part of our world. Once again, you will be confronted with 'buy now, pay later' sales, 'pre-approved offers' and various pressures to live a certain lifestyle, possibly beyond your means. You may face a battle to maintain your hard won financial freedom. It is important to review ahead of time all the tools you have acquired over the last three to five years during your debt management program.

One thing you have learned is how to stretch you dollars, make well informed choices, and to live below your means. In addition, once you have completed your DMP and paid off all of your debts, the funds you were paying into the program will be available to you to utilize in your budget.

Saving, of course, will be the first order of business. By now, you are used to fulfilling your monthly obligations for living expenses without these funds. As a result, you have the perfect opportunity to continue setting at least part of these funds aside each month into some type of savings account.

(Continued on page 2)

Inside this issue:

<i>Basic Guide to Post DMP Borrowing</i>	1
<i>Important Notice for Money Order Payers</i>	1
<i>Basic Guide to Post DMP Borrowing (continued)</i>	2
<i>Word Search</i>	3
<i>Basic Guide (continued)</i>	3
<i>The Kitchen on a Dime</i>	4

Board of Directors

- Sam Hohman
- Ronnetta Hughes
- Paul Koch
- Dave Phillips
- Travis Rousseau

Officers

- Sam Hohman

CEO; President

- Michaela Harper

Program Director

Important Notice for Money Order Payers

Check fraud has been a problem in the U.S. for a number of years, but now fraudsters have added a new twist to the game, money order fraud. As a result, many banks have begun holding the funds from deposited money orders for up to ten days to avoid losses from fraudulent money orders. Please be aware that as of

August 1, 2005 Credit Advisors must also hold money order funds for 10 days. If you are making your DMP payments by money order, to maintain your program in a timely manner, you will want to send your money order approximately 10 days prior to your payment due date.

Remember, however, there

are other options – one being electronic funds transfers or EFT, where funds are deducted directly from your bank account. If you would like more information or would like to sign up for EFT or one of our other forms of payment, to avoid the delay of the 10 day hold on money orders, please contact CAF toll-free at (888) 942-9027.

Basic Guide

(Continued from page 1)

Ultimately though, you may begin to contemplate re-entering the credit and debt game. What should you consider?

Plan ahead. Exhaust all other options first. Would your current savings resources cover this expense? Do you really need this expense right now or can you set a short term or long term savings goal? Question every purchase.

Examine why you are considering borrowing. What do you plan to do with the funds? Here are three 'never' rules to keep in mind when considering new credit:

- Never borrow money for luxuries – such as jewelry or the latest electronic gear. Borrow only for necessities, which might include a mortgage, education or medical expenses. Other reasons for borrowing that fall into the necessities category could be home improvements, furniture or major appliances – yet if you have been diligent in setting aside savings each month, even these items could potentially be handled without borrowing.
- Never borrow money to invest. Although people have done this before, if you stop and think about it, the interest you earn on the investment

will most likely be less than the interest you are charged on the loan. Generally, when expenses are higher than income this is not considered a good investment strategy.

- Never borrow more than you need. Think ahead. You'll want to retain enough borrowing power or capacity to pay for things or emergencies in the future.

Of course, before making your final decision about borrowing, make sure you will be able to continue making your monthly payments for your current obligations in a timely manner, as well as, any monthly payments for the potential borrowing you are considering. That means you'll intentionally review your budget to determine the feasibility of any new obligations.

If you do decide that obtaining credit is the best way to accomplish the goals you have set, there are still a few more points to keep in mind.

Remember; since you've been in a DMP, interest rates have risen higher, but

credit smart debtors know how to keep their debt expenses as low as possible. Some ways to do this are to review your credit report prior to applying for credit, make the largest down payment you can (and finance a lower amount), obtain the shortest-term loan you can afford (for the lowest overall interest costs possible), investigate and understand the terms you are offered, negotiate on the rates and fees, as well

as, shop around for the best borrowing deals.

You may also find that different types of credit may provide you with vastly different terms and costs. Don't simply assume that the only type of credit available will be through credit cards. Check out offerings from local banks and credit unions too. If your decision is to utilize a credit card don't forget these basic borrowing principles: use only one card and use it cautiously. Pay off your balance each month or if you are unable to pay the entire balance, always make more than the minimum payment.

Additionally, always know what you're signing – don't sign blank documents. As you've heard many times before - read everything, even the small print -



Sponsored by:



**Seminar Location:
1850 South 72nd St.
Omaha, NE**



FREE!

Credit Basics Seminar

FREE!

Thursday, October 20, 2005

11:00am & 1:00pm central time

Please **RSVP** by October 18th

**402-501-8182 or
emily@creditadvisors.org**

**Out of area? Toll Free Conference
Call: 1-866-285-7780
enter code 4425358**

*Different types of credit may
provide you with vastly
different terms and costs.*

and do not sign unless you fully understand all of your financial obligations within the credit agreement.

Don't be pressured – if you are unsure about the terms or any other aspect of the loan, stop, and take the time you need to review it and ask questions. Keep copies of all correspondence and

(Continued on page 3)

Word Search

Once again this month, the Word Search words are taken from the articles in this edition of the Defeat Debt. See if you can locate all seventeen words listed below in our puzzle.

- AGREEMENT
- BORROW
- BUDGET
- CREDIT
- DEBT
- EXPENSES
- FINANCIAL
- FRAUD
- FREEDOM
- GOAL
- PAYMENT
- PLAN
- RATES
- SAVINGS
- SUCCESS
- TERMS
- THINK

F	I	N	A	N	C	I	A	L	B
R	X	P	B	O	R	R	O	W	U
E	S	U	C	C	E	S	S	R	D
E	F	R	A	U	D	G	E	G	G
D	P	L	A	N	I	N	S	O	E
O	K	N	I	H	T	I	N	A	T
M	R	A	T	E	S	V	E	L	D
Q	T	N	E	M	Y	A	P	W	E
U	C	T	E	R	M	S	X	M	B
K	A	G	R	E	E	M	E	N	T

Basic Guide

(Continued from page 2)

documents pertaining to your loan, regardless of type. Always open and read any mail or other kind of correspondence related to your loan and of course, make every effort to repay the new debt in full, as soon as possible.

Finally, complain if you think you've been treated improperly, cheated or taken advantage of by a predatory lender – trust your instincts – if you feel something isn't right, then let others know, like the Better Business Bureau (BBB), Federal Trade Commission (FTC) or your state attorney general.

Finishing your DMP and becoming debt free should be an exciting time. Yet it may take some of the discipline you've developed to overcome cultural pressures, avoid living a lifestyle you can't afford and fall back into credit and debt problems. As you go forward from here remember to use the knowledge and skills you've acquired through the process to continue your success. Stay credit smart and make well informed financial choices, keeping your future bright and prosperous.

Announcing...September 20, 2005
Client Advisory Meeting
7:00p.m. CST
 Location: 1818 S. 72nd Street, Omaha
 Out of area: toll-free conference call
 1-866-285-7780 enter code 4425358

RSVP by September 19th at
 1-888-942-9027 ex 8182 or
 emily@creditadvisors.org

Credit Advisors Foundation

1818 South 72nd Street
Omaha, NE 68124

Phone: 888-942-9027

Fax: 402-393-4141

E-mail: clientcare@creditadvisors.org

We're on the Web!

www.creditadvisors.org

Get out of debt with no regret!



The Kitchen on a Dime

Easy, quick, full of flavor—and not too spicy hot—Unstuffed Pepper Soup can be prepared on your stove top without heating up the oven or your kitchen. Excellent comfort food or as a substitute for chili at your football tailgate party.

Unstuffed Pepper Soup

Ingredients:

1 ½ lbs ground beef

3 large green peppers, chopped

1 large onion, chopped

2 cans (14 ½ ounces each) beef broth

2 cans (10 ¾ ounce each) condensed tomato soup, undiluted

1 can (28 ounces) crushed tomatoes – drained

1½ cups cooked rice

Preparation:

Cook beef, green peppers and onion over medium heat until meat is no longer pink, drain.

Stir in broth, soup, tomatoes.

Bring to a boil, cover and simmer for at least 30 minutes, stirring occasionally.

Add rice and heat thoroughly.

Garnish with shredded cheddar cheese.

Serve with crusty slices of bread or rolls.

Yield: 10 servings. \$1.05 per serving

