

Defeat Debt

Credit Advisors Foundation

Volume 46, Issue 4

The Real Story-Planning Can Ease Holiday Budget Crunch

The calendar may say October, but we can see it on the horizon already. **The Holidays.** We bring enormous expectations into the holiday season. We anticipate the holidays will bring happiness and good cheer, but sadly, often the result is a heavy and unnecessary debt burden. How can we alleviate some of the stress and strain of the holiday season? **By planning ahead.**

“Hey,” you ask. “Are we talking about budgeting again?”

In a word –YES.

But another important part of debt management is preparing for out-of-the-ordinary

expenses, like the holidays. **As a CAF client you’re already**

half-way there. As you follow your Credit Advisors Foundation debt management plan, you have put *your* everyday budgeting plans and debt management goals into the hands of experts. Good for you!

You have also been learning about the budgeting process through your program *and* reading the Defeat Debt newsletter. You already know how to budget for those unexpected expenses without going further in debt. *You can do that for the holidays as well.*

Taking the time to plan ahead, forecasting, and anticipating needs and tapping into our creativity are helpful ways to reduce

the seasonal price tag.

Just where should you start?

Setting a little aside every month is ideal. However, if you didn’t start setting aside a little last January, it’s not too late. *There are still some things you can do now.*

First, don’t wait any longer.

Use that budgeting know-how and your ideas and begin the process now. Review last years holiday expenses. Understand where your money is likely to go. Choose which expenses to reduce or to avoid. If you will be exchanging gifts, begin your list as soon as possible.

Gifts were, most likely, the single greatest expense category in your holiday budget last year. (OK, so you didn’t have a budget last year. Let it go. This year doesn’t have to be that way.) Once you’ve made your initial list of who will receive a gift, review it again. *Now* is the time to get tough.

Eliminate as many gifts as possible. Come on, wouldn’t a card suffice for your 4th cousin, twice removed? Or how about a gift of your time? Eliminate or lower the cost of the remaining list. Be creative!

Here are some ideas: draw names for a gift exchange, pitch in for group gifts, give handmade gifts (kitchen gifts are always a happy-maker) or personalized coupons for time and talent. Give yourself a budget limit for each gift. Have a White Elephant (those gifts you got last year but could have done without) Holiday Gift Exchange. Forego gifts altogether and simply *spend time* with

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Early planning takes the stress and strain out of the holidays

Fair Debt Collection

As a CAF client you probably enjoy one of our benefits the most. No more creditor calls! However, it's always important to know your rights in this area. The Fair Debt Collection Practices Act covers the interactions between debtors and debt collectors. So what makes a person a debtor and who would be considered a collector?

Anyone who owes money on a personal loan, credit card, medical bill, mortgage or other outstanding debt is a debtor. Falling behind on payments or an error on your account can cause you to be contacted by a debt collector.

Debt collectors are not the same as creditors. Debt collectors are third parties (someone other than the lender or credit grantor) who, in regular course of business, collect debts for others. In addition to what is traditionally thought of as collection agencies this can also include attorneys who collect debts.

The Act spells out what actions a collector can and cannot take in the course of attempting to collect a debt. Collectors **cannot** use harassment, false statements or unfair practices to collect a debt. While collectors **can** attempt to contact a debtor in writing, over the phone, by FAX or through others, there **are** restrictions on how this is done.

For example: when contacting a debtor in writing, a collector cannot use postcards, window envelopes that reveal information or envelopes that reveal the nature of the communication on the outside of the envelope. When contacting a debtor over the phone, a collector cannot call before 8:00 a.m. or after 9:00 p.m., use profanity, call repeatedly in a day just to annoy, refuse to identify themselves, falsely state they are a government representative or attorney, threaten arrest or any other legal action to which they are not entitled and fully intend to use. When communicating through others, collectors cannot reveal the reason for the contact or the nature of the debt, cannot contact through an employer if it is known the employer does not approve of personal calls/letters at work, and if contacting through neighbors or relatives should keep these contacts to once per person.

Debtors rights are also outlined in the Fair Debt Collection Practices Act. These would include, but are not limited to: requesting that all contact be in writing, that all contact be through an attorney, and that all contact with that particular collector cease and the debt be assigned to another collector. If a debtor believes a collector is in violation of the Act, they are also entitled to sue the creditor within 1 year of when they believe the violation to have occurred.

Most remedies require written notification to all parties involved, and include the recommendation to file a complaint with the Federal Trade Commission. While the FTC cannot erase a legitimate debt or intervene in individual cases, these complaints are used to establish a pattern of violations. The FTC will then investigate a collector or firm for compliance with the Act.

Compiled from "Facts for Consumers: Fair Debt Collection", a publication of the FTC. For more info, contact the FTC at www.ftc.gov

Kid's Korner

Comparative Shopping Game

The goal of the Comparative Shopping Game is to teach children the basics of comparative shopping and budgeting.

You'll need a pencil, pad and calculator. This game can easily be played at the grocery store or any store as the holiday shopping is done.

At the beginning of the shopping trip, the parent gives each child an item on the purchase list and a budget.

For example: Starting at the grocery store at the beginning of the canned vegetables aisle. Child is assigned to find a can of stewed tomatoes. Budget is set at \$1.10.

Objective: The child must choose the item the parent requested without going over the budgeted amount.

The Win: The child who saves the most money wins.

Bonus: If the child completes the task and is under budget, he or she can keep the money saved. Double Bonus: Your children will learn the importance of comparison shopping and gain important skills for adulthood. They might even stop begging for the most expensive items!

Hints: Don't forget to explain to your youngster unit pricing tags, generic brands and the 'strike zone' pricing (items displayed in the strike zone — *the area most easily reached* — are usually higher priced — sometimes even when on sale).

"If the child completes the task and is under budget, he or she can keep the money saved."



The Comparative Shopping Game can easily be played in the grocery store.

Budget Planning (from page 1)

ideas of 'free' or low-cost activities everyone can enjoy during the holidays. Or better yet, volunteer time as a family with a local charitable organization. Remember, as the holidays approach, the time to organize and arrange a gift for less money becomes more difficult.

As you develop your budget don't forget to consider other holiday expenses. Electric cost increases for lighting for example, or wrapping, cards, entertainment, food, inside/outside decorating, and travel.

Once you've got your budget and plan, the hard work is done and you're ready to go.

Next...make a visit to Kid's Korner above for ideas and help on the comparison shopping portion of our holiday preparations. Oh! And take a deep breath, relax, and enjoy. You're ahead of the game!

Word Search * Word Search * Word Search * Word Search

The Fair Debt Collection Practices Act offers protection to consumers and guidelines to collectors. This month Word Search takes you into the world of debt collection and consumer rights with insights from the [Defeat Debt](#) review of the Act found on the facing page.

C	O	L	L	E	C	T	O	R
O	R	T	E	O	A	L	B	Y
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L	I	R	E	I	R	E	R	N
I	E	L	T	O	T	E	R	E
A	G	T	T	G	M	O	L	T
N	R	T	T	U	A	L	R	A
C	A	B	S	E	A	G	V	E
E	E	N	A	C	R	S	E	R
D	O	H	A	R	A	S	S	H
C	O	M	P	L	A	I	N	T

- ACT DEBT
- ATTORNEY HARASS
- CALL LEGAL
- COLLECTOR LENDER
- COMPLAINT LETTERS
- COMPLIANCE LOAN
- CONSUMERS MORTGAGE
- CREDITOR THREATEN

Tips Tips Tips Tips

Tips For October: Review basic safety reminders to help keep you and yours safe during the holiday season. Credit Advisors Foundation views sensible safety precautions as a way to reduce unexpected expenses, inconvenience, and even medical bills during the season. With all the other activities, no one wants the added burden of addressing insurance claims, police reports, and disappointments. **First and foremost, always stay alert and be aware of what’s going on around you.**

Traveling: By car? Give your auto a maintenance check * Travel populated, well lit streets * Keep doors locked, windows closed * Leave early, don’t speed * Never leave car unattended with valuables in view, motor running, or children alone inside * Locate keys prior to going to car * Ask trusted neighbor to watch home—shovel snow, park in your driveway * Don’t forget to have mail/newspaper stopped or picked up * Everyone wears seatbelts—children in back with age and weight appropriate safety equipment * Prepare and carry a traveler’s emergency and first aid kit * **NEVER DRINK AND DRIVE**

Shopping: Re-read and adapt the travel tips to your shopping excursions. * Make an emergency plan with your children before you get to the mall. Remind them to locate a security guard or store clerk if separated. Make sure they know your name (other than Mom or Dad) and phone number. * Plan purchases in advance and carry only the cash you need. (read article on page one if you have questions on planning) * Carry wallet in front pocket * Only use well lit ATM’s, cover the key pad when entering code, don’t count money at ATM machine. * Never leave your purse or shopping bags

unattended * Avoid overloading yourself with packages (clear visibility and freedom of motion are necessary to avoid mishaps) * **NEVER DRINK AND DRIVE**
At Home: Establish emergency fire exit routes with your family, *practice them.* * Check your fire extinguisher and smoke detectors—they won’t help if they don’t work * Keep candles, lighters, and matches away from children * Never leave lit candles unattended (think of it as leaving the keys in your unlocked car with the engine running, and gifts piled high in the back seat —

everything may be okay, but why risk it?) * Holiday gifts should not be visible through windows or doors of your home * Don’t leave boxes in alley or other garbage pick up locations for several days, break boxes down, put in garbage bags and place them inside trash cans or out of sight until the evening before regular garbage pick up. * Use only non-combustible, flame-resistant materials and UL approved electrical supplies to decorate * Take that home inventory—photo or video items, list descriptions and serial numbers. * If you host a get-together offer non-alcoholic beverages, alternative transportation, and a designated driver for intoxicated guests * Use caution when strangers come to the door, criminals pose as couriers delivering gifts or collecting for bogus charities * **NEVER DRINK AND DRIVE**

“Never leave your car unattended with valuables in view, motor running or children alone inside”

***** (Compiled with information from NYPD and MPDC)

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Get out of debt, with no regret!



The Kitchen on a Dime— Slow Cooker Spaghetti Sauce

This tasty slow cooker spaghetti sauce is easy and at \$.64 a serving, inexpensive. The recipe results in 18—24 servings. We froze half of the sauce to use another day—with very good results. Round out your meal with crusty Italian bread and a salad. (Don't forget to remove the bay leaf after cooking.)

- 1/4-lb. Bacon diced
- 1 1/4-lb ground beef
- 1/2-lb ground pork
- 1 cup chopped onions
- 1/2 cup chopped green peppers
- 3 garlic cloves, mince
- 2 2-lb. 3-oz. can Italian tomatoes
- 3 6-oz. cans tomato paste
- 1 cup dry red wine or water
- 2 1/2 tsp dried oregano
- 2 1/2 tsp. dried basil
- 1 bay leaf
- 3/4 cup water
- 1/4 cup chopped fresh parsley

- 1 tsp. Dried thyme
- 1 Tbsp salt
- 1/4 tsp pepper
- 1/4 cup dry red wine or water

Brown bacon in skillet until crisp. Remove. Add ground beef and pork. Crumble and cook until brown. Stir in onions, green peppers, and garlic. Cook 10 minutes.

Pour tomatoes into slow cooker and crush with back of spoon.

Add all other ingredients, except 1/4 cup wine, in slow cooker.

Cover. Bring to boil on High. Reduce heat to Low for 3-4 hours.

During last 30 minutes, stir in 1/4 cup red wine or water.



Round out your meal with crusty Italian bread and a salad.