

# Defeat Debt

Credit Advisors Foundation

Volume 48, Issue 4

## A Debt Management Journey of Change

Heraclitus said, “There is nothing permanent except change.” That sounds about right doesn’t it? We see change all around us every day, some we create and others we seem to have very little control over. Meanwhile, we are told, “Life is change. Growth is optional”. There seems little way to avoid change in our lives. But what does change have to do with debt management and living credit smart? Plenty!!

The first time someone (like you?) contacts Credit Advisors it’s all about change. Something has already changed in their lives, possibly divorce, loss of a job, or illness; or they are seeking to make changes, like stop using credit cards, resolve collection activity, or simply



**Change can be difficult.**

get out from under a seeming mountain of debt. What about you?

When you joined CAF and began to learn about managing your debt and credit, developing your budget and debt management program you were attempting to make some BIG changes in your life. For some of you it was beginning to make timely payments, for others it was about trying to get off the credit card Ferris wheel. Some of you had never attempted to live within a budget before and still others were dealing with the pressure of major medical bills, collection accounts, lost income, or any number of other changes. So...

How’s it going? Are you still in the battle? Have you made changes to the way you spend money compared to the past? Have you changed your perception of shopping with credit cards and moved toward a cash economy? Are you taking your lunch to work instead of eating out? Have you explained to your kids that all of you (your entire family) are working toward a brighter tomorrow? Are you feeling stressed? How’s your

motivation level? Has it been as easy as you hoped it would be? Why is it so ‘crazy’ difficult to make changes – especially long term ones that involve money or credit? Are you thinking, “Nobody told me how hard and lonely change is.” No, they probably didn’t. Change *can* be difficult. Are you the only one who struggles? No, no and again, no. Change is difficult for many, if not all of us at different times. It doesn’t come easy. Of course, your folks probably told you that most good things don’t – but how much help is that when you find yourself knee deep in real change? Some reassurance may be found in recognizing that every one of us at some point must make an extra effort to overcome obstacles that block our attempts to maintain the changes necessary to reach our ultimate goals. Sometimes, at the beginning of a change effort, because motivation is high, we may not perceive that a long-term change can become more challenging down the road. Yet, on the other hand,

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*(Continued on page 2)*

### This Issue:

<i>A Debt Management Journey of Change</i>	1
<i>Journey of Change (continued)</i>	2
<i>More News from WFNNB</i>	2
<i>Word Search</i>	3
<i>Credit Scores Confuse Many</i>	3
<i>The Kitchen on a Dime</i>	4

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## A Debt Management Journey of Change

(Continued from page 1)

some folks never get past that initial commitment to change. Why is change so difficult? It is difficult because change upsets the applecart – because it *is* change, because it is *different*. We feel awkward, self-conscious, alone. We feel a loss of control. We may perceive change as criticism about how we have handled things in the past. Sometimes our self-confidence slips. Most difficult of all, we can lose sight of what it is we wish to accomplish through change, the coming benefits from successful change and focus instead on what we perceive we are losing or having to give up.

We question ourselves and our wisdom. We begin to doubt. Concerns arise. What's wrong with how things are now? How will change, change me? Will I be *able* to change? Is this the right time? What happens if it doesn't work? Am I making progress? What do I do now?

So, how do you overcome the roadblocks on the journey of change? By changing your mind.

What do we mean? As Albert Einstein said, "We cannot solve our problems with the same thinking we used when we created them."

Accordingly, we change the way we think about change. All we know about change is that change is constant and on going. Change is not a destination. Change is the journey itself.

### *How do you overcome the roadblocks on the journey of change?*

Because change is hard work and demanding, we need to remember and find a way to reinforce the vision of what we wish to achieve.

What was it for you? Getting rid of collection calls? Overcoming high interest rates? Seeing some reduction in the balances of your credit accounts? Reducing the stress you faced each morning when you woke, if you actually got to sleep after worrying most the night? Or was it the broader goal of eliminating your debt?

Reaching such goals, changing our situations, and our behaviors, calls for radical change. Radical change requires us to learn new ways of being and of thinking. And it requires support and reinforcement. Are you taking advantage of all the opportunities available to support your radical change efforts?

What does CAF offer?

This newsletter, Defeat Debt, offers monthly ideas for aiding your efforts to

create a debt free life. Our member's website offers you opportunity to review your program and update your accounts with the most up to the minute information. Our e-newsletter, DebtEdge shares credit and debt information on a bi-weekly basis keeping you up to speed and in the know about new ways to support your change efforts. CAF educational seminars and Client Advisory Meetings, open to all client members and the public, are also an excellent way to stay aware of the impact credit, debt and change can have on your life, as well as gain support on your journey. In addition, the certified credit counselors in the CAF client care unit are always available to discuss your progress and/or any difficulties you face in achieving your goals.

Only you can reach out and take hold of the support you need to make the most positive radical changes in your life. No one can do it for you – but you *can* do it! Stay on the journey! When it comes to changes involving credit and debt, partner with CAF and make use of all your opportunities to develop the strength and skills you need to achieve your change goals. Those further along the journey want you to know, the end result you seek is worth its weight in gold.

## More News from WFNNB (World Financial Network National Bank)

Attention all WFNNB customers!

If you have an account from the WFNNB family on your debt management program (DMP) this information pertains to you.

*Please read to avoid sticker shock.*

(WFNNB family includes, *to name only a few*, Abercrombie & Fitch, The Limited, Victoria's Secret, Lerner's, Lane Bryant, American Appliance, American Home Furnishings, Anne Taylor, Bealls Store, Chadwick's, The Avenue, Structure, Create & Barrel, Dress Barn, Eddie Bauer, etc., etc., etc.)

Have you read something like this be-

fore? Probably?

In January of this year, we reported to you in the Defeat Debt that effective February 1, 2005, WFNNB had notified us that the annual percentage rate (APR) on all accounts in DMP would be set at ten percent. The increase included all accounts (there was no grandfather clause) regardless of how long they had been enrolled in the program.

Didn't notice the interest increase on your statements from the creditor? Never fear – they haven't forgotten about it. Due to implementation difficulties, WFNNB has given us a short reprieve



and delayed the increase.

Once the change is in place (*see? more changes*), Credit Advisors understands that although balances on WFNNB accounts are generally smaller, WFNNB's new policy will create a minor impact on the length of time necessary to pay these accounts in full. However, as long as you continue making your timely payments into the program these accounts will reach a paid in full status.

## Word Search

	M	C	O	L	L	E	C	T	I	O	N	S
As this month's Defeat	X	H	R	O	I	V	A	H	E	B	Z	H
Debt focuses on change	D	A	P	A	Y	M	E	N	T	S	J	O
as it applies to debt	O	N	F	J	G	E	H	J	R	T	O	P
management, there is	D	G	I	N	R	M	E	F	P	A	U	P
something different about	Q	E	P	R	O	B	L	E	M	C	R	I
our Word Search too. Yes,	B	W	B	K	W	E	M	D	E	L	N	N
something's changed. See	L	K	U	T	T	R	A	M	L	E	E	G
if you can search our	O	C	D	N	H	S	O	H	C	S	Y	O
puzzle and determine	C	P	G	L	A	C	H	A	N	G	E	A
what is changed.	K	E	E	I	N	T	E	R	E	S	T	L
<b>Search words:</b>	S	U	T	I	D	E	R	C	V	I	E	S
BEHAVIOR * BLOCK												
BUDGET * CHANGE												
COLLECTION * CREDIT												
DEBT * GOALS												
GROWTH * INCOME												
INTEREST * JOURNEY												
MEMBERS*OBSTACLES												
PAYMENTS * PROBLEM												
SHOPPING *												

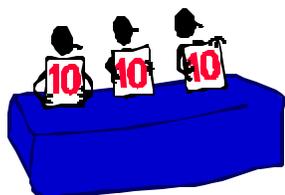
## Credit Scores Confuse Many

Can you answer this question?

My credit score is considered above average:

- As long as it doesn't fall below the Mendoza line
- If I get a pay raise
- As long as I keep an adequate amount of debt
- As long as mine is higher than my neighbors

According to a new study published by Fair Isaac Corporation (the developer of the FICO® credit score used by most lenders) and the Consumer Federation of America, forty-nine



*Your credit score is based on information found in your credit report*

percent of Americans do not understand that credit scores measure credit risk, while forty-five percent incorrectly think that

increasing one's income will increase one's credit score.

A credit score is a number that helps lenders and others predict how likely you are to make your credit payment on time.

Each score is based on the information found in your credit report and fluctuates as that information is changed or updated.

Credit scores affect whether you can get credit and what you pay in interest and down payments for credit cards, auto loans, mortgages and other kinds of credit. Your credit score can also influence whether or not a landlord will rent to you, how much you'll pay for insurance and whether or not you are offered that new job.

By law, the process of determining a credit scores may not consider your race, color, religion, national origin, sex, marital status or whether you receive public assistance, have ever exercised any consumer right under the Federal Equal credit Opportunity Act or the Fair Credit Reporting Act.

*Credit scores affect whether you can get credit and what you pay for it.*

What factors are reviewed? Approximately thirty-five percent of your score is determined by your payment history and how you have paid your bills in the past. Thirty percent is based on how much you owe. Both how much you actually owe and how close you are to your limits. Fifteen percent of the score is determined by how long you have had a credit history. In addition, recent applications for credit or newly opened accounts influence ten percent of your score, while the remaining ten percent is determined through various other factors.

Understanding how your credit score is determined and what influence it may have on your life is the first step to insure that your credit score works for you in the future.

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### Get out of debt with no regret!



### The Kitchen on a Dime

*Spring is here with fresh strawberries and rhubarb tempting you to create this tasty Strawberry Rhubarb Coffeecake. \$1.78 per serving.*

**Filling:**

3 cups sliced rhubarb, (1 inch pieces) fresh or frozen  
2 pints fresh strawberries, mashed  
2 tablespoons lemon juice  
1 cup sugar  
1/3 cup cornstarch

**Cake:**

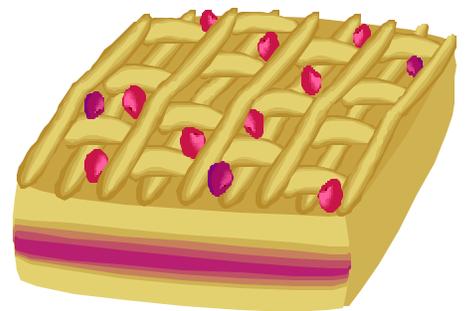
3 cups all-purpose flour  
1 cup sugar  
1 teaspoon baking powder  
1 teaspoon baking soda  
1/2 teaspoon salt  
1 cup butter or margarine, cut in small pieces  
1 1/2 cups buttermilk  
2 eggs  
1 teaspoon vanilla extract

**Topping:**

1/4 cup butter or margarine  
3/4 cup all-purpose flour  
3/4 cup sugar

**Preparation:**

In a large saucepan combine rhubarb, strawberries and lemon juice. Cover and cook over medium heat for about 5 minutes. Combine sugar and cornstarch; stir into strawberry rhubarb mixture. Bring to a boil over medium heat, stirring constantly until thickened; remove from heat.  
In a large bowl, combine flour, sugar, baking powder, baking soda and salt. Cut in butter with a pastry blender until mixture resembles coarse crumbs. In a separate bowl, beat together buttermilk, eggs and vanilla; stir into crumb mixture. Spread half of the batter evenly into a greased 9x13x2-inch baking dish. Carefully spread filling over the batter.



Drop remaining batter evenly over filling with a tablespoon.

**Directions for Topping**

In a small saucepan over low heat, melt butter. Remove saucepan from heat; stir in flour and sugar until mixture is crumbly then sprinkle over batter. Lay foil on lower rack to catch any juicy fruit spillovers. Bake at 350° for about 45 minutes, or until cake is done. Cool cake in pan on rack. Cut rhubarb coffee cake into squares to serve.