

# Defeat Debt

Credit Advisors Foundation

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## Take It From Our Experts

We extensively surveyed our Certified Credit Counselors for recommendations they commonly make to consumers, with credit or debt difficulties. These are successful suggestions that they have learned from experience working with clients over the years. Some of the ideas are fairly obvious and relatively easy to put to good use, while others will demand discipline, commitment and vigilance.

Every person who enters a debt management program (DMP) with Credit Advisors Foundation has already worked with a counselor to develop a budget and action plan. Our counselors had some ideas and reminders for all consumers but especially for you as you

continue to work with your budget. Here are a few of them:

- Periodically check your monthly expenses by writing down everywhere you spend your money for 2 to 4 weeks. Doing this every so often will remind you where you may have budget drain and where you have made improvements to areas that were concerns in the past.
- Create an emergency fund. Plan for the unexpected (car repairs, medical expenses) as well as the unexpected that should have been expected, like gifts, back to school, birthdays and weddings.
- Don't be lulled into complacency by hobbies or collections. These can really drain money from a budget and the costs involved are often forgotten during budget planning. Reconsider the necessity of spending money on the hobby or collection – consider, too, if the hobby or collection could become a source of revenue – and then

add any spending on your hobby or collection to your budget for easier management.

Working to become debt free through a DMP and making use of a budget may seem taken care of once the budget is created and you begin payments into the program. But your part isn't done – not by a long shot.

You're the one who is going to have to live day to day within this more structured financial plan. And yes, some days it may feel much more than just 'structured' and more like jail or a straight-jacket. But again, our counselors have some ideas and suggestions that you may or may not have considered before.

- Comparison shop your insurances. Ask about coverages and deductibles and how they impact premium costs.
- Re-examine luxuries that you've taken for granted and are not a serious need like full, extensive cable service,

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*Take it from our experts for ideas that can save you money*

## From Our Experts

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expensive internet access, cell phones, ring tones, etc. Comparison shop for internet providers and cable TV service. Focus on basic service not a bunch of extras.

- Turn the thermostat up in summer and down in winter – especially when away from home – even 5 degrees can make a big difference in energy usage
- Save gas by planning your trips and eliminate the ‘quick trip’ to the store for one or two items – pick it up on your way home from work or combine with other errands
- No impulse buying. Wait 24 hours before buying an item no matter how large or small
- Plan grocery and other shopping trips to avoid impulse buying
- Grocery shop on a full stomach. Re-examine what you spend on food – at the grocery store, eating out and so on (do you really need to spend \$150 a week for two at the grocery or \$350 a month eating out?)
- Make your own ‘special’ coffee at home
- Put utilities on budget plans (company calculates fixed monthly payment from previous use)
- Cut down on buying clothes every month and shop at



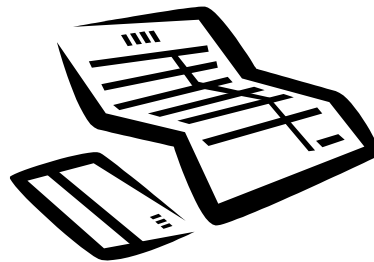
*Save gas by planning your trips and travel*

thrift shops – 2<sup>nd</sup> hand stores, Goodwill, discount stores have great bargains

- Get haircuts at a local beauty school
- Don't try or feel like you have to spend every dime of income (living paycheck to paycheck can actually become a habit that may be difficult to break once you get a handle on your finances – set aside money for emergencies

In regards to banking, financing, credit and debt, our counselors had helpful ideas for before, during and after DMP

- Overdraft protection accounts are not income
- Avoid credit cards to pay monthly expenses. Instead look to supplement income or consider the wisdom of DMP or bankruptcy for your situation
- Avoid foreign ATMs and the fees charged for their use. Use ATMs associated with your bank or credit union
- Don't co-sign a loan for someone unless you are truly prepared to make all the payments
- Payday loans quickly and easily become a vicious cycle of deepening debt. Avoid them.
- Think of your savings account as a creditor and pay them everytime you get paid.
- No payment/no interest credit offers not paid by the deadline cost you money – often lots of it
- Pay attention to and read your billing and bank statements – know what interest rate you are charged, what your balance is,



*Read your billing and bank statements*

when the bill is due, and any additional fees charged etc

When asked about credit reports and credit scores, our counselors urged caution and common sense. “Realize that fixing credit issues or credit scores is like a forest fire...credit can get out of control

quickly and can take many years to be restored to its previous grandeur”, said one.

Others agreed that your efforts to improve credit scores should include short and long term plans and goals like budgeting, consistent monthly payments, DMP when applicable and disputing credit report errors.

*Fixing credit issues or credit scores is like a forest fire...credit can get out of control quickly and take years to restore*

When disputing credit report errors, notify the three major credit reporting agencies, in writing. Include a copy of the police report with your complain if there is a fraudulent account on your credit report.

CAF counselors had other perspectives for you to consider about attitudes, lifestyles and ineffective debt management behaviors.

- Stop thinking of creditors as your friends. They think of this as business and you should too. They are not doing you any favors by providing you with credit you can ill afford or with terms you don't fully understand. A friend wouldn't do that.

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## \* Word Search \* Word Search \* Word Search \* Word Search \* Word Search\*

The words listed were borrowed from the article in this edition of Defeat Debt and can be found in this month's Word Search. Try your hand by revealing them all within the puzzle.

AFFORD MONEY  
 BALLOON NEED  
 BILLING PARENT  
 CABLE PEOPLE  
 CREDIT PLAN  
 CYCLE REPORT  
 DEBT SPEND  
 GROCERY SPOUSE  
 INCOME THRIFT  
 LOAN TRIP  
 WEEK

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

## Experts

*(Continued from page 2)*

- Ask questions and trust CAF to offer education, options, recommendations, and programs that are consumer oriented and can help you achieve your goals. Over 49 years we've worked successfully with hundreds of thousands of clients and their creditors, guiding them toward debt free futures. Make use of our experience with and knowledge of the world of credit and debt.
- Spouses or significant others need to share information on bills so there is not one person burdened with handling the whole situation without help

or support

- Stop looting your 401(k)
- Parents take a time out if you've been 'helping' children (adult children, that is) to the point that the parent's financial situation becomes stressed. Loving and helping includes encouraging independence.
- Stop emulating people on TV – fashion, cars, trips, lifestyles – until you have their income

Finally, our counselors' last tip is this: take time to appreciate your progress. Of course there are days when progress may seem slow, but every step forward, no matter how small, takes you farther down the road and closer to the destination of

achieving your goals.

Make celebrating your successes and progress a priority to remotivate you and as a reminder of what you're trying to accomplish.



*Celebrate Your Success*

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**Get out of debt with no regret !!**



## The Kitchen on a Dime

### Down Home Three Cheese Macaroni Casserole

This down home comfort food recipe is just right as temperatures turn crisp in October. Top baked casserole with chopped green onion and sprinkle of paprika or mix melted butter and crushed crackers and sprinkle over top of before baking.

#### *Ingredients:*

2 cups cottage cheese

1 cup sour cream

¼ cup finely chopped sweet onion

1 egg, beaten

1 teaspoon salt

½ teaspoon nutmeg

Garlic salt and freshly ground black pepper to taste

2 cups extra-sharp cheddar cheese, shredded

½ cup Swiss cheese, shredded

1 (7-ounce) package elbow macaroni, cooked and drained

#### *Directions:*

Preheat oven to 350°.

In a large mixing bowl, combine cottage cheese, sour cream, chopped onion, egg, salt, nutmeg, garlic salt, and black pepper.

Add cheddar and Swiss cheeses, stirring until well-blended.

Cook macaroni as directed on package. Drain well.

Gently stir cooked macaroni into cheese mixture, until well coated.

Pour macaroni and cheese mixture to a greased 2½-quart baking dish.

Bake uncovered, for 25-30 minutes.



#### Optional Stir-ins (before baking):

1 cup chopped ham; or

1 cup chopped chicken and can green chilies (4.5 oz); or

1 cup frozen green beans or mixed vegetables

Makes 6 servings at 83 cents each.