



# Consumer Affairs Tabloid



## Keeping you in the "KNOW"

287- CITY

Army Community Service Financial Readiness Branch

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### Excerpt from: The Better Business Bureau

[www.centraltx.bbb.org/WWWRoot/SitePage.aspx?site=40&id=fc39529c-6816-469c-b1f7-2525e379987d&art=6903](http://www.centraltx.bbb.org/WWWRoot/SitePage.aspx?site=40&id=fc39529c-6816-469c-b1f7-2525e379987d&art=6903)

### Tips On How To Repay Your Debt



#### Ask Yourself: Am I in "over my head?"

There are warning signs that your debt level may be headed for trouble. To determine if that is the case, gather your checkbooks and your previous three months' statements for your credit card accounts, revolving lines of credit, mortgage loan, car loan and any other loans.

Review your financial statements and your recent payment history and then honestly ask yourself the following:

- What is the total amount of money I owe?
- Am I at or near the credit limit on any accounts?
- Did I pay only the minimum or less each month?
- Did I take cash advances from one credit card to make the monthly payment on another?
- Did I take cash advances or use my credit card to cover routine living expenses (like groceries, gas, utilities)?
- Did I skip credit card payments because I lacked the funds to make even the minimum payment?
- Do my charges exceed the monthly payments that I make?
- Was I late with my payments?

If you answered "yes" to any of the above questions, and if you recognize any of the warning signs, you are probably headed toward a debt problem, if you're not there already. It's also a safe bet that you and/or another family member are not using credit responsibly.



### Excerpt from: The Federal Trade Commission

[www.ftc.gov/bcp/edu/pubs/consumer/credit/cre19.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre19.shtm)

### Knee Deep in Deep

Having trouble paying your bills? Getting dunning notices from creditors? Are your accounts being turned over to debt collectors? Are you worried about losing your home or your car?

You're not alone. Many people face a financial crisis some time in their lives. Whether the crisis is caused by personal or family illness, the loss of a job, or overspending, it can seem overwhelming. But often, it can be overcome. Your financial situation doesn't have to go from bad to worse.

#### Self-Help

**Developing a Budget:** The first step toward taking control of your financial situation is to do a realistic assessment of how much money you take in and how much money you spend. Start by listing your income from all sources. Then, list your "fixed" expenses — those that are the same each month — like mortgage payments or rent, car payments, and insurance premiums. Next, list the expenses that vary — like entertainment, recreation, and clothing. Writing down all your expenses, even those that seem insignificant, is a helpful way to track your spending patterns, identify necessary expenses, and prioritize the rest. The goal is to make sure you can make ends meet on the basics: housing, food, health care, insurance, and education.



**Excerpt from: Military Money**  
[www.militarymoney.com/credit/1065698221](http://www.militarymoney.com/credit/1065698221)  
**Avoid The Money Drains**

It's easy to fall into debt-especially if you are in the junior ranks in the military and are supporting a growing family. What can you do if you know you're carrying around too much debt? First, don't feel overwhelmed. Debt can be managed. Start by taking at least some of the following steps:

- If you think you can't make a payment on a debt, call the business you owe money to and ask for more time. If you make the call before you miss a payment, the business often will be more willing to work with you.
- Talk with the financial counseling personnel on your base or post. They can offer suggestions to get out of debt and let you know about helpful programs specifically for military personnel and their families.
- Consider working with a non-profit debt counseling service, such as Consumer Credit Counseling Service (CCCS).
- Organize your debts in order from the highest interest charged to the lowest. Make at least the minimum payment due on all the debts, but put any extra money toward the debt with the highest interest rate. When that debt is paid off, move that payment onto the next debt with the highest interest rate. When that debt is paid off, move that payment onto the next debt with the highest interest rate. In time, you will pay off your debts and save big bucks in interest.
- Limit yourself to one major credit card and only use it for emergencies.

**Excerpt from: Attorney General of Texas**  
[www.oag.state.tx.us/consumer/consolidation.shtml](http://www.oag.state.tx.us/consumer/consolidation.shtml)  
**Debt Management**

There are several available options for consumers- credit counseling and debt management plans, debt consolidation, and debt settlement are strategies that sometimes make sense.

**Credit Counseling Services**

Credit counseling can be a good option if you are interested in re-evaluating your spending and saving habits, as well as entering into a debt management plan (DMP). A DMP allows you to continue making monthly payments to your creditors, but consolidates your payment into one lump sum that you pay the credit counselor each month. This amount is then distributed to your creditors, often at reduced interest rates - allowing you to get out of debt faster.

Be careful in selecting a counseling service. Some are non-profits, while others are for-profit. Make sure you check with the Office of the Consumer Credit Commissioner and use a licensed credit counselor. Ask what services the company provides - some will perform in-depth evaluation of your monthly expenditures while others are simply calling DMPs. These services can carry both initial and monthly fees - find out exactly what you will be paying and where your monthly payments will go. Ask for monthly accounting statements so you continue to keep track of your debts and what your current balances are. Before signing up, ask how long your repayment plan will be so you know exactly when you are expected to be debt free.



**From the Files of Fort Hood's Consumer Affairs Office**

Have more questions on debt management; need an individualized spending plan or a referral to a legitimate non-profit debt management counseling service? Contact your Battalion Command Financial Specialist (CFS) for an appointment. Call 288-2862 if you need your CFS's number.

The Financial Readiness Branch offers Banking, Budgeting/Debt Management, and Credit Booster classes. Call 287-8979 for class dates, times and location.

Back issues of the Consumer Affairs Tabloid are available on the Financial Readiness section of the ACS website at [www.hoodmwr.com/acs](http://www.hoodmwr.com/acs).