

Welcome to the Freedom Debt Relief monthly newsletter! As part of our ongoing goal to enhance our services, we will be sending you a monthly newsletter filled with interesting articles and helpful financial tips and advice. We hope you enjoy this issue, and that you find the enclosed information helpful as you continue on the road to financial freedom.



## Yearly To-Do List

- Organize Finances
- Organize Bills

### Start off the new year with these helpful tips...

It is the beginning of the year and many people talk about organizing their surroundings in order to make a fresh start for the upcoming year. Office and desk areas are one of the common household areas in which massive clutter can accumulate. Paying your bills can seem even more daunting if they are buried under a heap of junk mail. Although keeping financial paperwork organized sounds like a minor detail, it is one of the first steps to achieving financial freedom. Below are some organizational tips that will hopefully put you more at ease with your finances.

**Create a filing system.** Assign a folder for each bill. Place the bill in that folder as you receive it in the mail. If you do not have time to file each day, place all bills and mail in a tray or box and put each piece of mail in the appropriate folder at the end of the week. Retail stores offer a wide array of filing devices such as cabinets and deluxe folders. During this time of year, stores also may offer many specials and discounts on these items. Online sources such as [www.shopgetorganized.com](http://www.shopgetorganized.com) and [www.containerstore.com](http://www.containerstore.com), may have helpful organizational tools for your home office. The ultimate goal is to find an inexpensive organization method that meets your needs.

**Use a calendar.** A large desk calendar usually works best for keeping track of due dates. You can purchase a basic one for approximately \$5 at office supply stores. At the beginning of each month, fill in all information relating to your finances. In the appropriate date squares, write down all pay dates, bill due dates, automated checking account deductions, etc. This task will

alert you to due dates and put your finances in perspective. If you choose, you may also choose to use a pocket day planner or an electronic device like a Palm Pilot. You can also visit [www.billorganizer.missionwares.com](http://www.billorganizer.missionwares.com) to download a free bill tracking spreadsheet.

**Balance your checkbook.** If you always know how much money is in your checking account, you will have less of a chance of overspending and bouncing checks. Debit cards are a convenient and a practical alternative to credit. However, you might easily forget a purchase if you do not record it in your checkbook. As you use your debit card, keep all receipts in your checkbook. When you have a moment, record all purchases in your check register. If you are computer savvy, experiment with software such as Quicken or Microsoft Money to balance your checkbook.

**Designate days to pay your bills.** Writing and sending bills can be a tedious chore. You may procrastinate until the last possible day and be charged late fees. Unfortunately, it is a task that has to be done. Choose two days per month to pay bills. Correspond the days with your pay dates. Write out checks on a desk or table and keep all supplies such as stamps, envelopes and address labels handy.



**Eliminate junk mail.** In order to stay organized, you may choose to eliminate a lot of the incoming junk mail that you receive. Extra advertisements or catalogs can not only be cumbersome and annoying, but can also tempt you to purchase items that you may not

need. If you want to remove your name from these mailing lists, visit the Direct Marketing Association's web site at [https://www.dmchoice.org/MPS/mps\\_consumer\\_description.php?reg=C#how\\_to](https://www.dmchoice.org/MPS/mps_consumer_description.php?reg=C#how_to) and you will have the option of completing this process online or by mail. Also, if you are still receiving "pre-approved" credit card offers, the credit bureau gives consumers the choice of opting out of these offers by visiting [www.optoutprescreen.com](http://www.optoutprescreen.com) or calling 1-888-5OptOut (1-888-567-8688). In the meantime, try to dispose of junk mail immediately when you sort through your daily mail.



### Online Banking and Organization

Online banking tools may help you reduce clutter and pay bills in a more timely manner. Below is some info about online banking:

- ✓ Online banking may allow you to check your balance, transfer funds, and pay bills online.
- ✓ If you pay bills online, you typically enter in the payee's billing information and your bank takes care of sending a check. Most likely, you will save money on paper checks and postage stamps.
- ✓ Know the fees that your bank may charge for online services.
- ✓ Your bank may also offer "automatic bill pay" with their online banking option. In other words, your bank will automatically deduct an amount from your checking account the same time each month and send it to the appropriate company. Although this service can save time, it can cause havoc if an unexpected emergency occurs and you do not have enough time to prevent a check from being sent. Know your bank's policies before signing up for this service.



## Client Reminders

**Tax Debt?** If you owe money to the IRS and would like information on how to reduce your tax debts, please contact our sister company, Freedom Tax Relief at 1-800-455-6TAX. Our tax attorneys and tax specialists are eager to immediately start helping you resolve your tax troubles. In addition, existing FDR clients are eligible for a \$100 referral bonus if they refer someone to Freedom Tax Relief.

### American Consumers Union

We have recently partnered with the consumer advocacy group, American Consumers Union, in order to provide additional support to our clients with respect to creditor harassment. All FDR clients are automatically given membership into the American Consumers Union, and are given the full use and support of the advocacy group, at no additional charge. This is a terrific benefit for our clients, and we are happy to be able to provide this service to our clients at our expense. You can visit them online at [www.myacu.org](http://www.myacu.org).

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### Customer Service

Phone Number:  
1-800-655-6303

Hours of Operation:  
6:00 AM – 6:00 PM PST

E-mail:  
[support@freedomdebtrelief.com](mailto:support@freedomdebtrelief.com)

# Tax Time



For most of us, preparing income tax may seem like a confusing and daunting task, especially if you have a complicated situation. Below are some resources and tips that may help you complete your taxes.

**Tax forms:** Visit the Internal Revenue Service's web site located at [www.irs.gov](http://www.irs.gov) if you need to download a particular form. All forms are available on this site.

**Free File:** This free tax preparation and electronic filing initiative begins its sixth year. Free File Alliance companies will participate in the program run by the IRS and the Free File Alliance, a consortium of tax preparation software companies. This program is available to taxpayers that have an adjusted gross income of \$54,000 or less. Each company sets its own criteria for who can use the service. Visit [www.irs.gov](http://www.irs.gov) and click on the "Free File" link. You can then read the requirements and search for participating companies.

**TCE:** The Tax Counseling for the Elderly (TCE) Program provides free tax help to people age 60 or older. For more information, you may also call the IRS at 1-800-TAX-1040, press #1 followed by option #5. AARP also offers the Tax-Aide counseling program for elderly individuals with low incomes. Visit [www.aarp.org](http://www.aarp.org) for more details.

**VITA:** The Volunteer Income Tax Assistance Program (VITA) offers free tax help to individuals with low and moderate incomes (usually \$40,000 and below). VITA sites are usually located at libraries, schools, and shopping malls. Call the IRS at 1-800-TAX-1040, press option #1 followed by option #5. Ask the customer service representative for a VITA site

located within your zip code.

**Refund Anticipation Loans (RALs):** With another tax season gearing up, consumer advocates at the National Consumer Law Center (NCLC) and Consumer Federation of America (CFA) are warning taxpayers to steer clear of refund anticipation loans (RALs), extremely high-cost bank loans secured by the taxpayer's expected refund. These loans usually last about 7-14 days until the actual IRS refund repays the loan. That is the first indicator of how unnecessary most RALs are. According to NCLC and CFA, most taxpayers could have their refund in two weeks or less if they use electronic filing and have the funds deposited directly into their bank account. Taxpayers should also realize that they are responsible for the RAL even if the refund is denied or is smaller than expected.

### Use your refund to boost your settlement fund.

If you are deciding on the best way to spend your tax refund, consider putting it towards your settlement fund. Extra monies may help us negotiate your debts quicker and help you achieve financial independence.

### Be aware of all new tax law changes.

We strongly urge you to consult a qualified professional when preparing your taxes. Regardless if you hire a tax specialist or if you take advantage of the free services mentioned in this article, it is wise to receive expert advice. According to H&R Block, six in 10 taxpayers are unaware of the new tax law changes. The IRS also estimates the \$1 billion in credits and deductions are overlooked each year. A professional may be able to inform you of tax credits in which you did not realize you were eligible. You want to receive as large of a refund as possible so you can apply that money toward achieving your financial goals.



## COUPONS FOR TV CONVERTER

As of February 18, 2009, the FCC recently made the decision to phase out analog television reception and switch all airwaves to digital. Therefore, households that receive television reception via an antenna will not longer be able to view a picture. The government have stepped in to assist these consumers by offering \$40 coupons for converter boxes, which are expected to cost between \$50-\$70. Visit [www.dtv2009.gov](http://www.dtv2009.gov) or call 1-888-DTV-2009 for more information.



## Credit Corner

As you strive to settle your debts, most of you have made a commitment to rely on cash instead of credit cards. After you complete your debt negotiation program, you will probably want to re-establish your credit. As you probably know, credit cards can cause serious financial problems if they are not used properly. Periodically, this column will discuss a credit card issue and give you tips on responsible credit card use. This month's topic is **balance transfers**.

In the past, you may have received a solicitation in the mail from a credit card company asking you to transfer your balance for a lower rate. Some credit card issuers give consumers the option to transfer a balance from another card because they, of course, want as much business as possible. If the interest rate is lower, transferring a balance may be beneficial to you. Here are some key points that you may want to keep in mind if you ever consider a balance transfer.

**Close out all high-interest rate accounts.** If you do transfer a balance to another credit card, you may want to close the high-interest account if you have more than one or two cards. As you may know, keeping too many active cards may tempt some people to acquire more debt and defeat the purpose of finding a lower interest rate. You also run the risk of acquiring a large amount of debt that you may not be able to pay. Having many open accounts with available credit may also lower your debt-to-

income ratio. If you have just two or three credit cards and you have been in good standing with that creditor for awhile, you may wish to keep the original card open, with a zero balance. A long and solid credit history can reflect favorably on your credit score.

**Read the fine print.** Although this is a very tedious task, it is important for a variety of reasons. Many credit card offers may advertise "1.9% interest on balance transfers" in large, bold print on the outside of the envelope. However, the verbiage by the asterisk may state that applicants must meet credit criteria. Therefore, you may not qualify for 1.9%, but may receive a 10.9% interest rate. Also, find out if the company charges any fees to perform the balance transfer. Be aware that many credit card issuers retain the right to increase your interest rate if you are late on a payment following the transfer or even if they discover some new negative information in your credit report. As with any important financial decision, it is necessary to read and understand all provisions before signing your name.

**Stay current on your payments during the balance transfer.** Keep an open line of communication with both credit card companies in regards to how long the balance transfer process will take. You do not want to pay on both cards at the same time; nor do you want to be delinquent with your old credit card company.

**Try not to keep a balance on any card.** This article is intended to educate you on the balance transfer process. However, upon completion of your debt negotiation program, we recommend that you do not keep a balance on your credit cards. In an avid attempt to remain free of debt and to re-establish your credit, consider having only one or two open credit card accounts. Charge amounts that you can afford to pay in full each month. If you make timely payments and use your credit cards wisely, you may not have to concern yourself with balance transfer offers and will be affording yourself the opportunity to better your credit rating.



## Inspiring Thoughts

At one time, huge lines of credit may have inspired us to be overly generous. For example, you may have always insisted on "picking up the tab" when you dined with a group of friends at an expensive restaurant. During holidays and birthdays, you may have been the person that showered everyone with costly gifts.

When it came time to manage your debt, people that you encountered or articles that you read may have advised you to become more "frugal." Hearing this word may make you cringe because you may associate frugal with being cheap. With some new insight and lifestyle changes, you may realize that frugality can be fun, creative, and less stressful.

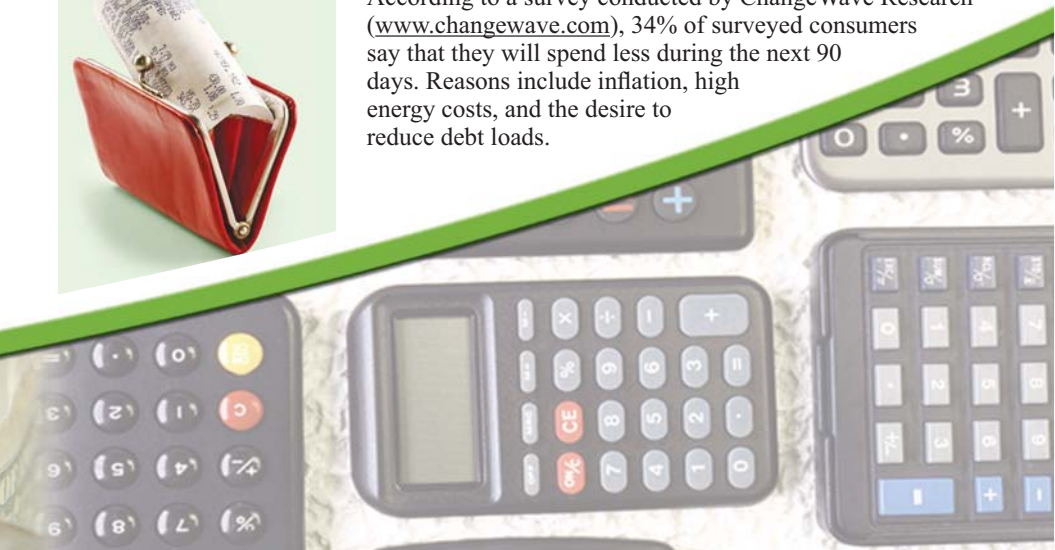
Frugal living encompasses many concepts such as using things that you have on hand instead of purchasing something new. For example, a frugal person would cook dinner with items that they already have in their kitchen cabinets instead of ordering take-out or buying more food at the grocery store. Rather than hosting a child's birthday party at Chuck E. Cheese, a frugal parent would organize an imaginative party theme for a small group of children at their home. For example, parents of daughters could have a princess party where little girls make their own crowns.

Frugality may have a negative connotation because some people relate it to deprivation or being stingy. There are times in life when we may not be able to be as frugal as we want to be. For example, if a child desperately needs cough syrup at midnight, most parents would purchase it at the local convenience store rather than wait until the discount grocery chain opens the next morning. Being frugal is not sacrificing basic needs in order to save money.

During the upcoming month, meet with your family to discuss ways in which you can become more frugal. Can you refinish or paint a piece of bedroom furniture instead of a buying new set? Would your family be willing to dine out one night less a week or reduce the number of premium television services? Over time, your family may begin to integrate many innovate ideas in order to create a frugal lifestyle. In the end, these changes may make you more relaxed because you will know how to live richly without spending a lot of money.

## CONSUMERS ARE SPENDING LESS...

According to a survey conducted by ChangeWave Research ([www.changewave.com](http://www.changewave.com)), 34% of surveyed consumers say that they will spend less during the next 90 days. Reasons include inflation, high energy costs, and the desire to reduce debt loads.



# Spare Change

News, financial tips, and other information regarding personal financial freedom



**Changes are underway in the credit card industry.** According to [CardWeb.com](http://CardWeb.com), the leading information and news site for the payment card industry, some changes in the credit card industry will occur this year primarily due to the recent mortgage problems. Most of these changes may have a positive impact on consumers. Cardweb predicts that card issuers may expand financial education programs, give customers more leeway on late and over-limit fees, and increase fixed-rate credit card promotions. The mortgage crisis may also cause credit card companies to impose higher credit card qualifying requirements and reduce credit lines.

**Company will pay \$50,000 penalty for tossing credit report information in unsecured dumpster.** A mortgage company that left loan documents with consumers' sensitive personal and financial information in and around an unsecured dumpster has agreed to settle Federal Trade

Commission charges that it violated federal regulations. The FTC's complaint alleges that Northbrook, Illinois-based American United Mortgage Company violated the Disposal, Safeguards, and Privacy rules. This organization failed to properly dispose of credit reports or information taken from credit reports and failed to develop or implement reasonable safeguards to protect customer information. Northbrook also did not provide customers with privacy notices. Improperly disposing of financial documents could lead to "dumpster diving," which involves criminals searching through trash and dumpsters to acquire financial information such as credit card and bank account numbers. Remember to adequately shred your documents before putting them in a trash can.



**Check your receipts.** According to the Fair and Accurate Credit Transaction Act (FACTA), businesses must shorten credit and debt card numbers and omit expiration dates on any electronically printed receipts in order to reduce the risk of identity theft. The FTC urges consumers to review their receipts and report any violations at [www.ftc.gov](http://www.ftc.gov) or call 1-877-FTC-HELP.

**Consumer groups call for a one stop complaint system.** The Consumers Union and the Consumer Federation of America recently called upon Congress to endorse the Financial Consumer Hotline Act of 2007. This act establishes a single toll-free number and unified complaint system that makes it easier for consumers to complain about their bank. Five different federal agencies oversee national and state-chartered banks, savings and loans, and federal credit unions, each with their own complaint system. At present time, the Federal Reserve Board does have a helpful web site in which consumers can file a complaint against a bank and read useful information about issues such as checking accounts, electronic banking, and foreclosures. Visit [www.federalreserveconsumerhelp.gov](http://www.federalreserveconsumerhelp.gov) for more details.

The Freedom Debt Relief newsletter is published by The Premier Institute for Financial Freedom. While articles in this newsletter are factual and accurate, they are not intended to replace the advice of professional financial, accounting, and/or legal advisers. As with all decisions regarding your finances, the advice, techniques, ideas and suggestions offered herein should be followed under the supervision of the appropriate competent professional.



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