



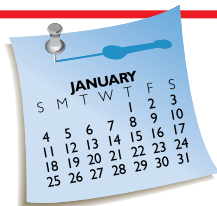
# freedom

## DEBT RELIEF

1-800-655-6303

Financial Goals Throughout the Year  
 New Credit Card Rules: A Step in the Right Direction  
 Making the Most of a Bad Economy • Spare Change  
 Inspiring Thoughts • FDR Client Reminders

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.



## Financial Goals Throughout the Year



As a new year begins, many people may make resolutions and contemplate on ways to improve their lives throughout 2009. Tackling a long list of goals all at once can be overwhelming and as a result, resolutions may be quickly forgotten. Setting realistic expectations may help you achieve a greater amount of success. Below are some financial tasks and tips that may bring you closer to financial freedom during the upcoming year. You can also create a similar list of goals that you may want to achieve throughout the various seasons. Happy New Year and we look forward to providing you with valuable information during the upcoming year.

### January-March

- Start off the new year by making some financial resolutions. Focus on ways that your family can save on daily living expenses. Visit [MoneySavingGuide.com](http://MoneySavingGuide.com) to use the “Money Saving To-Do List,” an online tool that allows users to type individual goals and check them off when they are completed.
- Take advantage of holiday clearance sales at the beginning of the year. This is a good time to stock up on gift wrap and decorations for the next season.
- In February, show your love for your spouse or significant other with an inexpensive, but meaningful gift. For example, write a poem or frame a special photograph. Acquiring debt for extravagant gifts is not attractive.
- Prepare for the tax filing deadline by organizing necessary paperwork. You can also visit the IRS web site at [www.irs.gov](http://www.irs.gov) for tax changes. Estimate your tax return on the H&R Block site at [www.hrblock.com](http://www.hrblock.com). Select the “Calculator link” and enter your information.

### April-June

- Kick off your spring cleaning by hosting a garage sale. You can also sell unwanted items on [www.ebay.com](http://www.ebay.com) or [www.craigslist.org](http://www.craigslist.org) for extra cash.
- Consider using homemade cleaning solutions for your home. Visit the Eartheasy web site at [www.eartheasy.com/live\\_nontoxic\\_solutions.htm](http://www.eartheasy.com/live_nontoxic_solutions.htm) and learn how to make non-toxic cleaners.
- In honor of Earth Day on April 22, consider ways that you can reduce your impact on the environment and save money. For example, buy used items instead of new to prevent trash from filling up the landfills and drive less to conserve fuel. Visit [www.earth911.com](http://www.earth911.com) for more tips.
- If you plan on doing any home improvements, consider “DIY”, or do-it-yourself. Although you may have to hire a professional for some complicated projects, you may be able to complete some tasks yourself. Visit your local library to find a comprehensive guide on learning how to do jobs such as cleaning your gutters and installing a ceiling fan.

### July-September

- If you use an air conditioner, consider weatherstripping the seams around the unit to prevent air leaks. According to [Energy.gov](http://Energy.gov), if everyone purchased an energy-efficient air conditioning model, it would save 831 million kilowatts of electricity per year. Visit [www.energy.gov](http://www.energy.gov) for more energy saving tips.
- Use travel sites such as [www.orbitz.com](http://www.orbitz.com) and [www.travelocity.com](http://www.travelocity.com) for planning trips. If a vacation will break your budget, consider checking out attractions in your local area.
- Make it a goal to save your spare change on a regular basis. At the end of the year, you may be able to make an additional deposit to your reserve account.
- Consider using “back-to-school” shopping trips as a financial lesson for children. Give them a list and a budget and tell them to stick to it. Children may learn the difference between wants and needs. For discounts on textbooks and software, college students can check out sites such as [www.textbookx.com](http://www.textbookx.com) and [www.journeyed.com](http://www.journeyed.com).

### October-December

- Review your bank statements. If you are paying a monthly fee for your checking account, find a local bank that offers free checking.
- Consolidate trips to the grocery store to avoid buying more than you need. Plan your meals according to weekly specials in the grocery store. Use coupons only when they can save you money on products that you normally purchase.
- Take precautions that may protect you from becoming a victim of identity theft. For example, shred all financial documents before putting them in the trash. Be smart about entering information online and always try to vary your passwords and user names. For more tips, visit [www.identitytheft.com](http://www.identitytheft.com) or [www.ftc.gov](http://www.ftc.gov).
- Establish a system that will help you remember to pay all bills on time each month. Consider marking the dates in a calendar or using e-mail reminders. Paying bills online may also help you avoid late fees and save money on postage.





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## Client Reminders

**Creditor Calls:** If you are getting calls from creditors, please use the script we have designed for you. This will allow us to work more effectively with these creditors. If you have lost your script, let us know and we will be happy to resend it to you.

**Draft Changes – 5 Days Notice:** If you plan on changing the draft amount you are depositing into your settlement bank account each month, please submit the request at least five business days in advance of your next scheduled draft. We want to ensure that it is processed by the bank in a timely manner.

**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.

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**Customer Service Phone No:**  
1-800-655-6303

**FAX No: 650-393-6800**

**Hours of Operation:**

**Mon-Thurs: 6:00 a.m. – 6:00 p.m. PST**  
**Fri: 6:00 a.m. – 5:00 p.m. PST**  
**Sat: 7:00 a.m. – 11:00 a.m. PST**

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



**We want  
your ideas!**

**What do you want to see in the newsletter? We welcome your input. Email your ideas to [info@piff.org](mailto:info@piff.org).**



Much discussion surrounds the issue of the struggling economy. Although the state of the world may look bleak, future positive changes may evolve from this financial crisis. Below are some ideas that may help give you an optimistic view of the recession.

**Stores may lower prices.** During the past holiday season, many stores slashed their prices to entice shoppers to spend. The National Retail Federation forecasts that retailers will still offer great bargains at the beginning of the year. Taking advantage of these low prices is a good way to stock up on necessities. Be careful of buying extra items simply because they are on sale. As many consumers review their finances during the rough economy, stores may also tailor their gimmicks and advertising towards budgeting and saving money. For example, Dolans.com, an informative financial web site, reports that lay-away programs may be making a comeback at many retailers.

**Cash becomes a preferred payment method.** Spending with credit may not be as easy as it was in the past. A July 2008 Federal Reserve Board survey indicates that 65% of U.S. banks had tightened their lending standards on credit card loans during the previous three months. As credit lines are lowered, consumers may choose cash as a preferred payment method for many purchases. According to Cardweb.com, a web site that tracks the payment card industry, consumers spend nearly 200% more when using credit. A rough economy may allow many consumers to

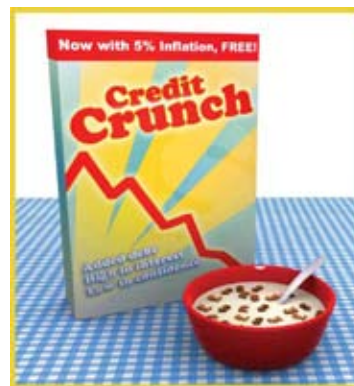
# Making the Most of a Bad Economy

see the value of using cash.

**You have a support system.** Credit cards make it easy for consumers to live beyond their means and impress friends and family. Swiping a credit card can quickly allow you to pick up the tab for an expensive dinner or purchase extravagant gifts for special occasions. As more consumers experience the effects of the economy, you will more than likely be acquainted with someone that is required to tighten-up their budget instead of people that encourage overspending. Surrounding yourself with supportive individuals that understand your situation may help you persevere and achieve your financial goals. Hopefully, frugal living may perhaps become a lasting trend even when the economy bounces back to a prosperous state.

**Your opinion counts.** Consumer Reports' latest national survey finds that more than half (56%) of respondents think that the government has not done enough for them in these tough economic times. Only 17 percent of those polled said the government needs to do more for banks and financial institutions. In

the poll, 29 percent said the government went too far in bailing out the financial industry. You have the opportunity to express your views on these types of issues by calling 1-800-BAIL-OUT. Once you call the toll-free number, you will be prompted to speak and share anything on your mind about the current financial situation in America. Your message will be recorded, digitized, and uploaded to [www.bailourants.com](http://www.bailourants.com). Other users can listen to your message and comment on it.



## PLAYBOOK FOR LIFE

Playbook for Life ([www.playbook.thehartford.com](http://www.playbook.thehartford.com)) is an educational web site that gives college students the opportunity to take charge of their finances before venturing out into the "real world". Sponsored by The Hartford, a major financial services company, students can use online calculators, download budget worksheets, and read helpful financial articles.



# New Credit Card Rules: A Step in the Right Direction

Recently, new rules adopted by the Office of Thrift Supervision will help protect consumers from certain abusive credit card lending practices that can result in excessive fees and interest rate charges. The rules were developed in conjunction with the Federal Reserve Board and National Credit Union Administration. Below is some basic information about these new regulations.

## What are the changes?

According to Demos, a public policy research organization, the recently issued rules will ban some of the bait-and-switch tactics in credit card lending. The new rules will:

- Prohibit banks from retroactively increasing the interest rate their customers must pay on existing balances
- Prohibit banks from allocating payments to lower-rate balances first to maximize finance charges
- Ban the practice of “double-cycle billing,” which calculates interest over more than one month, and can result in higher finance charges
- Eliminate upfront fees on so-called fee harvesting credit cards when they eat up the majority of the available balance on the cards
- Require banks to provide consumers a reasonable amount of time to make payments

## What prompted these changes?

The new regulations were finalized after the Federal Reserve Board received a flood of comments from approximately 66,000 people during a consumer testing study. Also, during this struggling economy, many banks have been lowering credit limits and raising interest rates to compensate for the losses from the mortgage crisis. Demos reports that these tactics are causing more borrowers to carry higher balances for longer periods of time and run the risk of exceeding the credit limits.

## When do these changes take effect?

These rules will not officially take effect until July 1, 2010. However,

the Office of Thrift Supervision encourages institutions to make their best efforts to conform as soon as possible, particularly to the provisions related to high-fee cards.

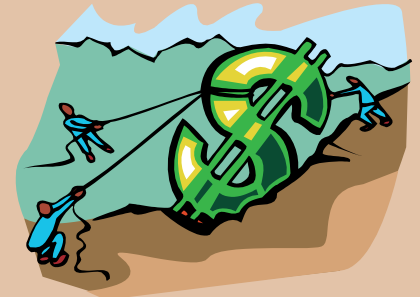
## What still needs to be done?

While the new rules will provide important new protections, more safeguards may be needed to address other lending practices that can make it difficult for consumers to manage their credit. According to the Consumers Union, other reforms needed to address some of the abusive practices that hurt consumers are:

- Limiting the amount of “penalty” interest rates, and how long card companies can keep you at these extremely high rates.
- Prohibiting fees for paying a credit card by phone or internet.
- Prohibiting account-opening fees no more than 10 percent of the credit limit.
- Banning multiple over-limit fees during a single billing cycle.

## How do these new rules affect me?

These new rules are a positive step in the right direction for consumers. Once you complete your debt negotiation program, these regulations may help you make a fresh start as you strive to rebuild your credit rating. Keep in mind that it will still benefit you to practice prudent credit card use. Avoid additional interest and fees by only charging what you can afford to pay in full that month. Timely credit card payments may slowly improve your credit score.



## INSPIRING THOUGHTS

As you move through your debt negotiation program, you may long for the day that you will be free of debt, which certainly will be a significant accomplishment. Of course, many people realize that once we achieve one goal in life, we then face another opportunity or challenge.

One goal that certainly could be of interest is rebuilding your credit. This is a topic that may bring about mixed feelings. You may be eager because you have a chance to start anew, yet overwhelmed because you may not know where to begin.

Although rebuilding your credit is an exciting time to focus on the future, it may take as much time as paying off your debt. At first, you may still experience some rejection and adversity. For example, a lender may deny your application for a car loan or you may be forced to pay a higher rate. While these situations may be difficult to bear, you must not regret all of your hard work and perseverance during your debt negotiation program. Keep in mind that some potential lenders simply view you as a low three-digit credit score number or label you as “high risk.” Banks lend people money because they want to make more money in return. If you are not approved for a loan, it is not a reflection on your character; it is simply a business decision.

You have probably heard the saying “good things come to those who wait.” This cliché could also be applied to re-establishing your credit. Upon completing your program, make a conscious effort to take steps to improve your credit rating. Consider applying for a credit card and charge small amounts which you can afford to pay in full each month. Secured credit cards are also an option. Timely payments on all of your bills will eventually put you in a low risk category. Although it is impossible to guarantee anything in life, practicing good financial habits should sooner or later boost your credit score.

Remember that there are also many opportunities to improve your financial skills as you strive to settle your debts. For instance, take advantage of the many financial resources available online and at your local library. Knowledge is power and educating yourself on money matters will help you at all stages on the road to financial freedom.



## It's Hip to Save!

Visit [www.hip2save.com](http://www.hip2save.com), a blog that offers legitimate free samples, online coupons, and other freebies.



# \$pare \$change

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

## Consumers are still protected when purchasing service contracts.

According to the Service Contract Industry Council (SCIC), consumers can continue to buy and enjoy the benefits of service contracts for their electronic products with the knowledge that the contracts will still be viable and honored even if the retailer closes or files for bankruptcy. Many state legislatures across the nation have adopted or adapted the SCIC's model legislation, which among other provisions puts in place regulations -- including the requirement to buy insurance -- to protect consumers who purchase service contracts from struggling retailers. Service contracts (sometimes referred to as extended warranties) purchased from major retailers are sold and administered by third-party service contract providers that are independent of retailers. And, according to the SCIC, a national trade association that represents the service contract industry and works to implement consumer protection regulations, these third-party providers will continue taking claims and providing service regardless of the

status of the retailer that originally sold the service contract.

**FDIC warns consumers of exorbitant overdraft fees.** A new FDIC study shows that banks are charging Americans billions of dollars in overdraft fees. The Center for Economic and Entrepreneurial Literacy ([www.Econ4u.org](http://www.Econ4u.org)) is educating consumers about the importance of avoiding these fees. Most people do not realize that a bank overdraft fee comes at a higher interest rate and greater cost than any other imaginable loan. A customer who makes an on-premise purchase with a debit card and overdraws their account by \$20, paying it back two weeks later, will suffer an average overdraft fee equal to 3,520 annual percentage rate (APR) in interest.



If the customer overdraws by just \$1 and pays it back in two weeks, some of the higher bank fees - \$37 or more - are the equivalent of 96,200 percent APR. Visit [www.econ4u.org](http://www.econ4u.org) for numerous articles and quizzes about personal finance.

**A helpful web site promotes saving among young adults.** Feed the Pig, a national campaign of the American Institute of Certified Public Accountants (AICPA) and the Advertising Council, features a series of print and broadcast public service announcements urging Americans age 25 to 34 to spend wisely and save for the future. The new PSAs can be viewed at the campaign website, [www.feedthepig.org](http://www.feedthepig.org), which features savings tips and interactive tools. Feed the Pig additionally employs new media easily accessible to the target audience, including weekly e-mail savings tips, podcasts, text messages, and Facebook and MySpace pages for Benjamin Bankes, the campaign icon that evokes childhood memories of the traditional piggy bank. Feed the Pig serves as an extension of 360 Degrees of Financial Literacy ([www.360financialliteracy.org](http://www.360financialliteracy.org)), an effort by the CPA profession to educate Americans on how financial issues affect them at all life stages, beginning with childhood and extending through retirement.

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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