

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 Tips Throughout the Ages



Our financial goals change at various stages throughout our lives. Below are some helpful tips and services that may help consumers of different age groups reach financial freedom. Remember that it is never too late or too early to start living a frugal lifestyle.



Kids

Kids value saving. Kids are willing to spend less and work more to feed their piggy banks in tough economic times, according to a new poll by the Northwestern Mutual Foundation's financial literacy web site at www.themint.org/kids/saving.html.

www.themint.org. In the survey, visitors to the site were asked about the first thing they would do if money got tight. Sixty-six percent of respondents aged 17 or younger said they would either spend a little less or stop spending money on unnecessary items altogether. For more information about saving tips for kids, visit www.themint.org/kids/saving.html.

Online games shows kids and young adults the importance of saving. Ed's Bank (www.practicalmoneyskills.com/games/ed_bank/index.html) is

sponsored by Visa's Practical Money Skills for Life program. This online game helps young children to see how much money it takes to save for items they want. Teens and college students can visit www.indebted.com, a financial education site sponsored by MTV. This site offers budget calculators, quizzes, and helpful financial information. [Indebted.com](http://www.indebted.com) also includes Debt Ski, an online game that shows young adults the importance of budgeting for necessities and extra items.



Adults

Online tool helps calculate child care costs. According to a report released by the National Association of Child Care Resource & Referral Agencies (NACCRRA) entitled, *Parents and the High Price of Child Care: 2009 Update*, monthly child care costs

exceed monthly food costs and the average cost of other household expenses. [Sittercity.com](http://www.sittercity.com) offers some creative child care solutions to help in this difficult economy. To find out the average hourly rate for babysitters in your area, visit [Sittercity.com](http://www.sittercity.com)'s Rate Calculator: http://babysitters.sittercity.com/rate_calculator.html.

Retirement planning is essential. Mass Mutual reports that as Americans near retirement they have less confidence in the economy and new fears about whether they

can afford the high cost of growing older. On September 15, 2009, PBS will premiere *Retirement Revolution: The New Reality*, a documentary that will feature families sharing personal stories about retirement. For several online retirement calculators, visit www.massmutual.com/calculators.

The Budget Queen can help you save money. Visit www.thebudgetqueen.com for a variety of budgeting tools, money tips, and free calculators to help you reduce your everyday spending habits.



Elderly

National campaign helps elderly with prescription costs. By the end of this summer, more than one million older Americans will have fallen into the "doughnut hole," a coverage gap in Medicare's prescription drug program that leaves individuals on the hook for all of their own drug costs while still paying

premiums. AARP is launching a new online resource to help older Americans avoid this dreaded coverage gap. The AARP Doughnut Hole Calculator, available at www.aarp.org/doughnuthole, guides visitors through their prescription drug options using localized information about their plans and prescriptions to determine if or when they will fall into the coverage gap. Visitors can view a graph of their out-of-pocket spending by month, look up lower cost drugs for their conditions, create a Personal Medication Record, and print out personalized letters to their doctors to help start a conversation about safely switching prescriptions. As a part of its Health Action Now campaign, AARP is calling on Congress to

close the doughnut hole and lower prescription drug prices so that no one has to go without the prescriptions they need to stay healthy.

Program helps senior homeowners avoid foreclosure. According to Help Senior Homeowners, a non-profit mortgage counseling organization, thousands of senior homeowners (age 62 or older) are already delinquent or in foreclosure. Reverse mortgages are the answer for some but approximately 30% of 12 million seniors who may have qualified for a reverse mortgage two years ago no longer have enough equity in their homes to qualify. Visit www.helpseniorhomeowners.org for more information.



freedom

DEBT RELIEF

Client Reminders

Please inform us of creditor changes. From time to time your accounts may move to a different creditor or collection agency during the collection process. This is a natural part of the process and can actually help our ability to get a favorable settlement for you. It may happen that you receive notice of such a change in the mail before FDR itself is notified. If you receive such a notice, please forward it onto our customer service department (via email, fax or mail), or give us a call to update us.

Contact Info: Have you moved recently or changed your phone number? Please contact customer service to ensure we have all of your updated information.

Visit our updated client web site. Freedom Debt Relief has updated and improved its client site. Visit www.fdrclient.com for new information and a user-friendly layout. For your convenience, you can now submit certain customer service requests online 24 hours per day without having to pick up the phone. Creating a username and password is simple. Just follow the instructions on the webpage to get setup today!

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



Being in debt is a setback, but it doesn't mean that you have to stop enjoying yourself or having fun. If you go back to basics and think outside the box you will discover ways to spend time with others and uplift your spirits!

Hang out with friends. Quality time with friends does not have to involve spending a lot of money. Instead of meeting in a restaurant, coffee shop or other place that invites overspending, try organizing a monthly get-together. Each friend will take turns hosting the group for dinner or drinks at their own home. Those invited can bring in their favorite casserole, dessert or bottle of wine. Everyone can enjoy socializing in a relaxed, comfortable setting without the added pressure of later saying, "I sure had a lot of fun but I spent too much money."

Get in shape! Biking, kayaking or rollerblading are fun ways to keep in shape. Parks and trails usually offer free access. If you do not own a bike or roller blades, check out flea markets, your local donation charity center or Play It Again Sports, a national resale franchise. You may find cost-friendly fitness items in good reusable condition.

Enjoy museums, zoos and concerts. Find out if any nearby museums, zoos or amusement parks have 'off-days' when tickets are offered at discount prices. Some museums and zoos have offered 'free' days because of the

current economy. Check the local newspaper often and listen to the radio for specials on local entertainment. Also, keep in mind that if you are a member of AAA, you are entitled to discounts at various establishments and venues. Don't forget to check with your employer who may also have access to discounted or free tickets for sporting events, theaters or parks. Some communities offer free outdoor concerts in the summertime. All you need is a lawn chair or a blanket and the music is free!

Read a book. Your community library is a wonderful, but often overlooked, source for inexpensive entertainment offering access to a full range of magazines, books, research aids and movie rentals. All you need to do is become a member to take advantage of all that your community library has to offer. This would also be the place to get information on local clubs such as book clubs, hiking clubs, etc. – an inexpensive way to meet others with your interests. For movies, you can also consider mail-in services like Netflix which offers unlimited rentals for a small fee with no return deadline or late fee. Remember, watching movies at home can keep you from spending money on unhealthy, expensive concession stand snacks.

Become a volunteer. If you're looking for a great way to meet new people, meet others with a common interest and help the community, try volunteering. Most places that rely on volunteers show gratitude by offering their helpers free or drastically reduced ticket or admission prices. If you are looking for a job or need a career change, volunteering is an excellent way to network and 'try out' a new job before committing.



Discover a hobby. Activities like bird watching and writing are free hobbies that encourage creativity. If you think bird watching sounds fun, all you need is a notebook to record your finds and, if you wish, binoculars. Writing can be done anywhere. Interview subjects and do some research. You can pitch your article to magazines or newspapers geared toward your subject matter and you might end up getting paid!

Consumers handle credit issues on their own

A national poll by Credit.com reveals that 47 percent of Americans are taking responsibility for their debt problems. In addition, the study indicates that 11 percent of those in debt have chosen the option of accepting help from family or friends. A percentage of those surveyed have also chosen the option of working with a debt settlement company.





MAKE EXTRA CASH WITH YARD SALES

D ecluttering and selling things that you no longer use can be a great way to earn extra money and boost your reserve account. In recent years, many consumers have used online services such as Ebay and Craigslist to sell unwanted and unused items. An old-fashioned garage sale or flea market offers two other options that can be fun and lucrative!

If you opt to have a garage sale, organizing items and holding the sale on your property can be quite simple. Garage sales take a little time and effort and a small amount of money. You may choose to purchase price tags for your items. Simple signs displaying the time, date and place of sale can be distributed. Be creative when advertising your sale to attract as many buyers as possible. You may want to place a small, inexpensive advertisement in the local paper to publicize your sale.

Ask neighbors if they want to join you. Community yard sales are common and a great way to interact with others in the neighborhood and make money. Treating your customers to fun music and cold refreshments will encourage those

who stop by to browse a little longer. It will also entice those passing by to stop and join in on the fun.

Flea markets can also be a way to unload stuff you do not need while making extra money. Most communities have outdoor flea markets, usually each weekend from May through October. You may have to pay a nominal fee for a spot to set up, but keep in mind that a good flea market can be well known. It is not unusual for people to drive 100 miles or more to their favorite flea market destination.

Whether you choose a flea market or garage sale, price items accordingly – usually one-quarter or so of the cost when new. Make sure all the items are marked clearly.

Popular items sought at garage sales and flea markets include books, electronics, camping gear, and clothes. Many people look for children's apparel and infant items because these items are used for a short time and can save shoppers a lot of money as opposed to purchasing new.



PREPARATION TIPS

- Be sure to have plenty of change and keep money safely in pocket.
- Record a log of what you sell and how much each item sells for. This way you can see how much money you make, inspiring you to sell more. You may also be able to clearly see exactly what items you have purchased so you don't buy them again.
- If possible, have an electrical source on hand with an extension cord so customers can check appliances. Keep a varied supply of batteries available as well.
- Tell yourself that nothing comes back in the house. If items don't sell, simply donate them.
- Make sure your shoppers know that all sales are final.



Student loan program helps struggling borrowers

A much-anticipated Income Based Repayment Program (IBR) could be the answer you've been waiting for if you are a student loan borrower with a relatively high remaining balance on your loans.

The program, which went into effect July 1, 2009, offers borrowers the chance to keep student loan payments affordable using a sliding scale of payment caps based on a borrower's full-time work income and size of family. According to www.ibrinfo.org, most borrowers accepted into the program will make payments less than 10 percent of their income. Loan payments of higher earners could be capped at 15 percent of earnings above that amount. With the exception

of the highest earners, payments could end up being less than 10 percent of the borrower's total income. If you are a graduate currently paying your student loans under a different program, you may join IBR.

In addition, IBR will forgive remaining debt after a certain period of time depending on your career field. For example, employees in public service jobs including government and nonprofit 501(c)(3) organizations could be forgiven their loan balance after 10 years of responsible participation in IBR. Those in other career fields may be forgiven their loan balances after 25 years of qualifying payments.

A variety of factors determine eligibility and are detailed at www.ibrinfo.org. Among the criteria considered is the borrower's family size and Adjusted Gross Income (AGI). If the borrower is married AGI must include the spouse's income (whether or not the spouse has student loan debt or not) unless the borrower files taxes separately from his/her spouse.

Other criteria includes debt-to-income ratio, you must have relatively low income and a higher balance left



on your loan. Federal student loans eligible for IBR include Direct or Federal Family Education Loans (FFEL) loans, Stafford loans and Consolidation or Graduate PLUS loans. Perkins loans will be eligible if you consolidate them into a federal Guaranteed or Direct loan.

Those with loans in default, Parent PLUS loans, private loans or loans that consolidated a Parent PLUS loan will not be eligible for the program.

To apply for IBR you must contact the lender(s) who hold your student loans. The lender will ultimately determine eligibility. If you are accepted, keep in mind that you may end up paying more interest in the long-run since a reduced payment will extend your repayment period. You must also submit annual documentation regarding proof of full-time employment income and family size.

For more information on the application process and further details regarding the IBR program, go to www.ibrinfo.org. The site features an IBR calculator to help you estimate eligibility. However, you must contact your loan provider directly to sign up for the program. If you do not qualify for the program or are struggling with student loan repayment, visit the National Consumer Law Center's Student Loan Borrower Assistance Project at www.studentloanborrowerassistance.org.



SPARE CHANGE

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



Survey says more Americans are staying home to save money. According to a press release by Huntington Bank, a survey of more than 1,000 Americans indicated that people have limited cash for non-essential items. According to Huntington Bank, many consumers are trying their hand at home-cooked meals as an alternative to dining out. Many of those surveyed claimed that if they do go out to eat, they think economically. For example, some participants said they would purchase only one entrée and share it to save money.

When asked, "No matter how bad things get, I will never cut back on..." consumers answered that they wouldn't skimp on medical needs. In addition, the participants stated they would continue to pay for cable, Internet or satellite dish as it was generally cheaper to enjoy entertainment at home rather than purchasing tickets for events, movies and concerts.

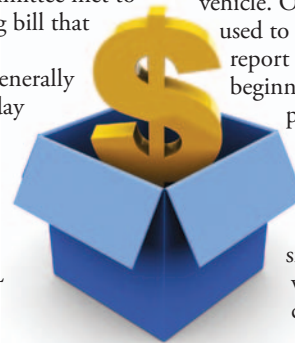
Payday loans push consumers deeper in debt. Research by the Center for Responsible

Lending (CRL) shows important information regarding payday lending and borrowers who find themselves trapped in the payday debt cycle.

According to CRL, it's not just the demand for new payday loans that leads to trouble for borrowers. Rather, the study verified that approximately 75 percent of the payday industry's loan volume was generated by customers who are opening payday loans to repay their first payday loan.

The report came to light just before the California Senate Judiciary Committee met to review AB 377, a payday lending bill that ignited controversy.

CRL reports payday lenders generally make loans due in full on a payday and charge close to \$60 for an average \$350 loan. Since low-income customers may experience a shortfall by their next payday, lenders anticipate their return for a new loan. CRL estimates that those types of



customers account for 76 percent of total loan volume.

Low mileage can result in less expensive insurance rates. The drive less-save more programs encourage drivers to spend less time on the road, leading to fewer accidents which will cost insurers less money. In the past, low mileage drivers were offered no incentive and were expected to pay the same car insurance as everyone else. Now, with some plans, drivers who log less than 2,500 miles a term may save as much as 5 to 25 percent on their insurance bill. If you drive less than 15,000 miles annually, a deeper discount may apply.

It is wise to call your insurance company to see if they offer a drive less-save more program. All drivers may not be eligible and plans and requirements vary depending on company. Also, if your insurer does offer the program, some states may be exempt. One plan requires you to have an OnStar-equipped General Motors vehicle. OnStar, a navigation and safety system, is used to verify mileage driven and automatically report the vehicle's odometer reading at the beginning and end of the owner's insurance policy term. Not all plans require ownership of a GM vehicle, however.

Call your insurance company to find out if they offer a low mileage discount. It is suggested that prior to signing up drivers are aware and comply with the methods the insurer uses to collect mileage information.

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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