

Defeat Debt

Credit Advisors Foundation

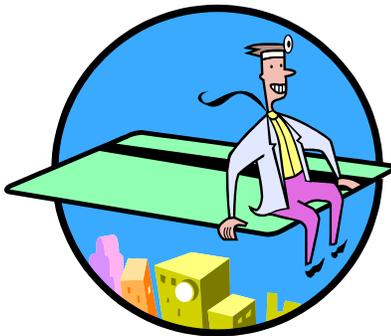
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Credit Education for Your Family—The Real Story of Defeating Debt

It's summertime and the living is easy.....or is it?

How are things in your neck of the woods? Hot and dry... or stormy and steamy? Faced with high prices, cutbacks, layoffs, lower wages, fewer hours and more mouths to feed? Just how much more "easy" is this going to get?

Here you are trying to save money, be credit smart, get out of debt and dream for the future. Credit Advisors Foundation understands. Make use of the hints and tips found in Defeat Debt this month and in the months to come to make informed credit choices, educate your family about credit basics, saving money at home, and above all: **getting out of debt.**



It may seem obvious but one of the most frequently discussed reasons for consumers having difficulty with debt or credit, is the concern that many consumers have never developed good spending habits.

Although our society may seem to thrive on consumerism, many families find they have little knowledge of budgeting, comparison shopping, reconciling bank accounts, creating

savings plans, the cost of credit or other financial skills necessary to make educated spending choices.

Credit cards were first introduced into the United States economy in the 1950's. Prior to that time, credit was not readily available to the vast majority of the populace. In the 50-odd years since, credit has become increasingly available and utilized by the general public. However, there has been no concerted or organized effort to educate society in the general financial knowledge necessary to make informed credit and spending choices.

While we educate ourselves about on-line investing, 401k plans, IRA's and so on, we do little to familiarized our (continued on page 2, REAL STORY)

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Stormy Summer Weather Raises Insurance Questions

Hailstones have given your car's exterior the complexion of a golf ball and a tree branch decided today was the perfect time for a new skylight in your living room.

What happens now?

Should you, like thousands of others across the U.S., file insurance claims for damage, or fearing cancellation of your policy, will you pay for repairs yourself?

First, be cautious and thoughtful of all claims you submit, and know the facts.

At least 95 percent of insurers now use credit scores, credit history, as well as, how many and what type of claims you file, to determine what you'll pay in future premiums. In addition, an increasing number of companies are using this information to determine risk levels and whether to renew policies.

Over the past two years, studies have shown about 42 percent of American households have experienced a homeowner's rate increase. The average cost is expected to increase by 9 percent this year, after a nearly 8 percent increase last year. Meanwhile, nearly 2 percent of households have lost their coverage altogether, due to non-renewal.

According to the designers of the FICO scoring system, while there is not direct connection between poor credit and driving record, there is believed to be a strong link between bad credit and increases in the number and likelihood of claims filed, for both homeowner's and auto policies. Many critics, however, question the validity of these beliefs and the inconsistent emphasis the insurance industry places on this information. One insurer may use the credit record to set rates or premiums, another may utilize it to determine coverage eligibility while yet a third may require specific deductible amounts on policies, after considering the information.

Several states—including Arkansas, Indiana, Kansas, Nebraska, North Dakota, Oklahoma, and Virginia have

passed laws that offer guidelines for how credit can be used. At least 10 other states are considering bills.

So what can you do now and in the future?

Talk to your agent. Find out your company's policies. Check what improvements or upgrades you can make to your property for premium discounts.

Raise your deductible—this tends to lower the number of claims made and could lower your premium 10 to 30 percent. Group all your policies with one company for additional considerations and discounts. (Always check with the Better Business Bureau before you switch to a new company.)

Talk to the department of insurance in your state. Get information on what guidelines exist, if any.

Get help for credit or debt issues now, rather than later. Form good habits today, so that in times of crises a special effort to pay your bills consistently is easier to maintain.

And always, think before you file claims.

If you have filed more than 3 claims in the past 3 to 5 years, your insurer might consider you high risk and raise premiums, restrict coverage or choose not to renew your policy.

If the amount of your claim does **not** exceed your deductible, do not file a claim and pay for the necessary repairs yourself.

However, if this is your first claim in awhile and it will exceed

Summer storms have caused damage nationwide in 2003.

Real Story (CONTINUED from page 1)

children or ourselves with counting money, making change, paying bills or relative value. (How long will I have to work to *pay off* that sale blouse on the 17.95% APR credit card, Mom?)

Staying on your CAF Plan ensures that you are learning these necessary skills.

You've made the start. Become an active participant in your debt management program.



You've made the start. Be an active participant....

Review your statements and bills. Make your payments to the program on time and in full. Ask for additional assistance if you are having difficulty maintaining your budget or making ends meet. Notify the client care counselors if you have questions or concerns. In future issues of Defeat Debt, we will share information and skills with you and your family as you increase your 'credit IQ'. You **are** on your way to being debt-free. You've made great strides and before you know it, you will be reaping the bounty of benefits from your efforts, determination and achieved goals!

Word Search * Word Search * Word Search * Word Search

Consequences of Delinquent Debt

There are many consequences of delinquent debt and some, of course, are more severe than others. The consequences of delinquent debt can effect all aspects of our lives from our emotions, our pocket books, our relationships, and especially our health. This month Word Search for some of the most prevalent consequences of delinquent debt.

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

CALLS	JUDGEMENT
DIVORCE	LIEN
FEAR	REPLEVIN
FEES	REPOSSESS
ILLNESS	STRESS
INSOMNIA	SUIT

Kid’s Korner— Fiscal Literacy for Children

The weather out side is frightful.

Ok, maybe there is no snow, but heat waves and summer storms may limit outdoor fun.

In the Kid’s Korner, we have ideas and games to increase your child’s financial IQ. The entire family can participate in these activities, and hopefully learn in a fun non-competitive environment.

Treasure Hunt

Conduct a treasure hunt with your children. Hunt and gather all the loose change in the house. Don’t forget the laundry room, pockets, drawers, old purses, or sofa cushions. At a table, help your child divide ‘the treasure’ into stacks of pennies, nickels, dimes, etc. To Win: each player must show different combinations of coins that add up to \$1. When done, put all the treasure into a jar or bucket and save up for a family treat.

Tips Tips Tips Tips Tips

Fastest Ways to Squander Your Money

Lotteries

Buying a new car every few years

Take out coffee, lattes, etc.

Credit Life Insurance

Investing on the advice of someone you’ve never met



Fancy restaurants

7. Buying something on sale you don’t need

Courses that teach you how to buy real estate for no money down

9. Optional cable television services

10. Investing in something you don’t understand

Tip of the Month: Never go grocery shopping on an empty stomach, without a list, or without at least one coupon (if possible, wait for triple coupon day)!

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We're on the
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Get out of debt, with no regret!



The Kitchen on a Dime

July is the perfect time to get outside and grill. Remember summer safety rules for outdoor cooking and entertaining. Keep temperature sensitive foods cold (below 40 degrees) and never reuse marinades, platters, or utensils that have been in contact with uncooked meats.

Grilled Italian Chicken with Zucchini and Tomatoes

1 whole chicken

1 envelope Italian dressing (prepared according to package directions)

4 medium zucchini, cut in 1/4-inch slices

1 15 oz. can stewed tomatoes

2 tsp Italian blend seasoning

2 cups frozen corn

Prepare salad dressing. Cut up chicken. Marinate in salad dressing for 30 minutes.

While chicken is marinating, prepare grill (spray cold grill rack with cooking spray to reduce sticking). Wash and slice

the zucchini.

Place zucchini in large skillet. Add the stewed tomatoes (including juices) and the Italian blend seasoning. Mix. Simmer, uncovered on low heat, stirring occasionally, while grilling chicken. Prepare corn according to package directions (if avoiding salt, season with small amount of chili powder and nutmeg).

Over medium coals, grill chicken 25-30 minutes. (Chicken is done when an internal temperature of 170 degrees is reached or juices run clear when pierced with fork.)

Serve chicken with zucchini/tomato sauté and corn.

*We served 4, with leftovers, for \$10.84



Remember summer safety rules when using your grill.