

**HEALTHCARE  
ASSOCIATES**  
**CREDIT UNION**

The healthy way to bank<sup>®</sup>

# Digging out of the Debt Hole

Presented by: Dana Hall, Account Development Specialist

## Is it time to call an expert?

- Bills are rising as income is dropping
- Paying only the minimum payments
- “Robbing Peter to pay Paul”
- Credit cards are “maxed out”
- Charging more than you pay each month
- Uncertain of how much you actually owe
- “Borrowing” from emergency savings
- Tapping into retirement accounts
- Receiving collection calls and letters



# YOU ARE NOT ALONE!

- 78% of Americans are living paycheck to paycheck
- US Consumer Debt is at \$3.01 Trillion Dollars
- Average American now has \$16,048 in credit card debt



# Credit Card Example

- Why it's not going away:
  - \$2000 balance
  - 19.8% APR
- \$40 annual fee Making only minimum payments:
  - It would take 31 years
  - It will cost \$10,200





# Focus on TODAY

- Contact creditors: No news is **BAD** news
  - ☑ Before missing a payment
  - ☑ Be honest and calm
  - ☑ Be realistic with time frames and payment promises
  - ☑ Be prepared to offer specific solutions
  - ☑ Take notes and keep a calendar
  - ☑ Maintain contact



# The “B” word

- Get organized with a budget
  - ☑ Income worksheet
  - ☑ Weekly and monthly expense tracking
  - ☑ Be honest with YOURSELF!
- Create action items
  - ☑ Increase income: Overtime, part-time, better pay, sell things
  - ☑ Decrease spending: Reduce, substitute, postpone, forego

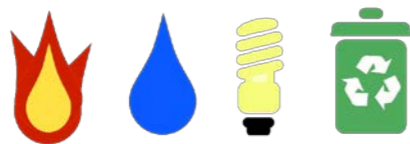
# Bill Paying during Financial Crisis



Mortgage or Rent



Car Loan



Utilities



Student Loans

**Establish and maintain communication!**

## If you can't pay...

- Find your shortfall
- Explore changes
- Contact your lender
- Discuss all the options
- Follow through



# Financial Assistance...Beware!



- Debt settlement
- Credit counseling accounts
- Credit repair
- The Credit Repair Organizations Act
- DebtStoppers / Bankruptcy Attorneys



# Consider before filing for Bankruptcy

- Expensive

Court costs and attorney fees

- May lose assets

- Yo-yo debt

50% of those who file, file again as soon as law allows (2/8 years)

- Doesn't include everything

Student loans, tax debt, legal fees or back child support

- Stays on credit report for up to 10 years

Renting property

Buying a home or car

- Required credit counseling and "Means" test



# Do your homework!

- Meet Attorney one-on-one to assess personal situation
- Check [www.bbb.org](http://www.bbb.org)
- Do not base selection on cost alone!
- Ask for recommendation from family or friends



# Enrich Financial Wellness

- Financial education and counseling service available to HealthCare Associates members for FREE!
  - Money Management counseling
  - Debt Repayment Options
  - Credit Report Review
  - 866-676-4385 or Resource Tools on



[www.hacu.org](http://www.hacu.org)



**Thank you**

for attending today's presentation!

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