Client Orientation Handbook

An Educational Resource Guide Designed To Answer Frequently Asked Questions

National Foundation for Debt Management

www.nfdm.org

National Foundation For Debt Management

Your Client Identification Number

Please Write Your Client Identification Number In The Box Above For Easy Reference.

CONTACT US

Main Office: (727) 254-5353

Toll-Free Client Services Hotline: (866) 799-2122

Creditor Services Hotline: (727) 254-5339*

AutoPay Toll-Free Fax Number: (866) 402-6336

Speed Pay Hot-line: (877) 751-8074

www.nfdm.org https://members.nfdm.org

*Please refer all creditors to our Creditor Services Hotline at (727) 254-5339. Please remember not to give your creditors our toll-free telephone number. Your creditors can only receive assistance using the Creditor Services Hotline at (727) 254-5339.

National Foundation For Debt Management

Dear Client:

Welcome to National Foundation for Debt Management (NFDM) and congratulations on making the decision to work towards achieving freedom from debt. As you make your first payment, we will be forwarding proposals to all of your creditors, notifying them of your enrollment in our Debt Management Program. Please keep in mind that our proposals and negotiations are all done with the main credit office of your creditor, and not with the collections department. Due to this process, it may take some time for the creditor's main department to communicate this information to the rest of their divisions. Don't allow this to concern or frustrate you; this situation tends to straighten itself out after your first monthly payment.

If you are or are beginning to receive collection calls from any of your creditors, inform them that you are now with NFDM and that they should direct their calls to us at (727) 254-5339. If they refuse to communicate with us, please ask for their contact information and notify our Client Services Department, who will be happy to initiate communication with them on your behalf. Additionally, if your statements reflect late charges after three consecutive, on-time payments have been made, immediately contact us with the most recent statement information or send copies of the statements to us, circling the possible error. Our Client Services department will work with you and your creditors to resolve the problem.

Occasionally, you may receive correspondence from your creditors requesting payments from you or notifying you of delinquencies in your accounts. Do not allow this to alarm you; in most cases, these letters are computer generated. Please be sure to notify Client Services whenever you receive information from your creditors.

On our program, you will continue to receive your monthly statements from your creditors. It is important to keep these handy, especially having the most recent of them on hand whenever you call our office. Also, by submitting copies of these statements to us every three months, our office can ensure that you are receiving your maximum benefits of being on our program from your creditors; whether it is reduced or eliminated interest rates or any other offer. There are no rules to what creditors are to offer in this situation, but we take this on as our job to ensure that you get the best repayment plan possible. To aid us in this task, we ask you to do your part by making your payments on time in a consistent manner. <u>Please note that your payments must be for the full amount and on time to avoid losing any benefits of our program.</u> THE ONLY WAY TO INSURE TIMELY DISBURSAL TO YOUR CREDITORS IS FOR YOU TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

We like to consider our relationship with our clients to be a partnership. At NFDM, we aim for successful partnerships and hope that you do the same by following through with your payments. Please be diligent in reviewing your creditor statements each month and notify us immediately if anything is inaccurate or if you have any questions.

Enclosed in this booklet is information for you to use on your journey to becoming free from debt. We offer multiple financial literacy programs to help you on your way. These programs are in place to support your commitment to get your finances back on track as well as to address any questions that may arise in regards to your finances.

We know this process is difficult, but don't let it get you down. You are on your way to becoming free from debt; and that benefit alone is well worth it. We look forward to helping you achieving this goal.

Sincerely,

Judith R. Sorensen
President

NATIONAL FOUNDATION
FOR DEBT MANAGEMENT

At National Foundation for Debt Management, we strive to provide the best possible service to each of our clients. If you ever have a question, comment, complaint, or concern and wish to write to our Board of Directors, you may do so by sending a letter to:

National Foundation for Debt Management
Board of Directors: Member Satisfaction Unit
14104 58th Street North
Clearwater, FL 33760

NFDM is a member of the Better Business Bureau, Council on Accreditation, Association of Credit Counseling Professionals, and is a U.S. Department of Housing and Urban Development (HUD) approved Housing Counseling Agency.

ACC PROS
Association of Credit Counseling Professionals

BBB ACCREDITED BUSINESS

EQUAL HOUSING OPPORTUNITY

ACCREDITED BY COA
COUNCIL ON ACCREDITATION

AutoPay
Is The Best Way!

With AutoPay you will never have to:

- Buy money orders or certified checks.
- Worry about your payment being late or lost.
- Make unnecessary trips to the post office.

SAVE TIME & SAVE MONEY!

Clients who use AutoPay pay down their debt at a faster pace and achieve financial freedom sooner.

This service ensures that you will get the most out of your membership. If you have not joined yet, consider the advantages today!

PLEASE CONTINUE TO SEND YOUR MONTHLY PAYMENTS TO OUR OFFICE UNTIL YOU RECEIVE WRITTEN CONFIRMATION THAT YOUR AUTOPAY ACCOUNT IS ACTIVATED.

MAKE YOUR LIFE A LITTLE EASIER TODAY WITH AUTOPAY.

Call Us Today For Autopay and Make Your Stress Go Away!!!
1-866-799-2122

Answers to Frequently Asked Questions

Your success in becoming debt free depends on understanding your responsibilities and actively participating in your Debt Management Program. We cannot stress enough the importance of reviewing all correspondence received from our office and your creditors. You will need to contact our office in response to any phone calls or letters you receive so that we can ensure your Debt Management Program is working for you. You may have some questions about your Debt Management Program; please review this booklet and retain it as a tool on your way to becoming debt free. Answers to many of your questions can be found in this section. Our financial literacy program guide is included to support you on the road to financial freedom.

Q. Who are we? Does NFDM rely on voluntary gifts, grants, and donations?

A. National Foundation for Debt Management is an IRS designated 501(c)(3) non-profit educational organization, and as such operates primarily on voluntary contributions.

Clients who have regained financial stability, have completed the program, or terminate early from the program are requested to make voluntary, tax-deductible donations.

While donations are at the discretion of the client, it is customary that a donation equal to one month's payment that may be gifted by extending the client's plan one extra month, be included with the final payoff, or by enabling NFDM the right to retain any escrow balance. Your tax-deductible contribution will assist NFDM in providing education programs and other services to you and other fellow clients.

Q. I just received my New Client Orientation Packet. What should I expect next?

A. Your new client orientation packet includes critical information including your client identification number, your monthly payment amount, payment due date, payment instructions, and the client orientation handbook. Please review and become familiar with all of the information contained in the client handbook. Approximately one week after receiving your packet, you will receive a letter itemizing the creditors you have on the Debt Management Program, their account numbers and approximate balances.

It is very important that you read and confirm the information contained in the Welcome Letter and notify us of any discrepancies. Please also make sure you read The Right Track, our quarterly newsletter that contains important information. Anytime you have any questions, please contact us immediately. You may visit our web site at **members.nfdm.org** or call us 1.866.799.2122.

Q. My counselor had advised me that from now on I need to contact the Client Services Department if I have any questions or need further assistance. Why can't I continue to get assistance from my counselor?

A. Your counselor's role is to partner with you to understand your financial situation, help you with your budget analysis, and help you determine the best approach in achieving your financial goal(s). If you have mutually determined that you would benefit from a Debt Management Program, the counselor will help you to understand the program, its goals, and the benefits offered by each creditor. Once your Debt Management Program is in place and consistent payments are being made, our Client Services representatives specifically trained in the maintenance of your Debt Management Program, will help you stay on the road to financial freedom. You can access our online Client Service Center at **https://members.nfdm.org** or call our Client Services specialists at 1.866.799.2122 with any questions or concerns you may have.

Q. How will my creditors know I am using NFDM's Debt Management Program to liquidate my debts? How do I know if they are satisfied with the arrangements?

A. NFDM has worked with and developed positive relationships with virtually every creditor. Upon receiving your first scheduled monthly payment, we will send proposals to your creditors to inform them that you have engaged in a partnership with NFDM's Debt Management Program. Each proposal lists the terms and conditions of your repayment plan.

Most creditors will respond directly to you. If you receive any information from your creditor regarding the proposal status, please promptly contact our Client Services Department.

If your creditor informs you that the proposal was accepted, please contact our Client Services Department and share this information. Once your creditor has accepted you into the Debt Management Program, check your monthly statements to ensure the benefits are being applied. While benefits vary, most creditors will waive late and over the limit fees in addition to offering reduced interest rates. In particular circumstances, some creditors will accept the terms once the past due amount is paid. Until then, you may continue to receive over-the-limit and/or late fees.

Occasionally, a creditor with whom you are very delinquent or who has placed you with a collection agency may initially react by rejecting proposals from a Debt Management Program. Our experience is that once these creditors begin receiving payments from our office, they will apply the payments and work with you.

If a creditor finds the proposed plan unacceptable, they may return the proposal with a counter offer, requesting a slightly higher monthly payment. Typically, your monthly payment is based on a percentage of the current balance, so if the actual balance is higher than the balance you provided, your monthly payment amount may need to be adjusted to meet your creditor's guidelines.

Should we receive a request from your creditor, we will notify you to discuss payment feasibility. It is critical that you respond quickly to our notification because if you do not remit the increased payment amount, the creditor may continue to assess late fees on your account. You may risk not receiving any benefits or have existing benefits terminated.

Q. When will my creditors be notified and receive my payment?

A. Your first payment is due to our office within 30 days of receiving your membership agreement and as outlined in your payment instructions. We will then verify your creditor information, arrange payment schedules, and send proposals to your creditors. Each proposal lists the terms and conditions of your repayment plan including a promise of your payment every 30 days or with every billing cycle.

Q. Should I send any further payments directly to my creditors?

A. Making consistent monthly payments is the key to keeping your account in the best possible standing with your creditor. If you can afford to continue to make your payments to your creditor while we are negotiating on your behalf, you should do so. In any event, it is imperative to make your first payment to NFDM by the scheduled due date so that arrangements with your creditors will not be disrupted. Making on time payments is the key to your success.

Q. What do I do if I continue to receive letters and telephone calls regarding my payments?

A. During the transitional period, as we take over the payment disbursements to your creditors, you may continue to receive both telephone calls and letters from your creditors.

If you are receiving occasional telephone calls from your creditors, try not to get frustrated. Tell the collector that you have arranged to make your payments through our office and insist that they call us at (727) 254-5339. If the collectors say anything that concerns you, please relay that information to our office. Our partnership is the key to your success to financial freedom. We will continue to work with you and your creditors.

With proposal acceptance it usually takes approximately three consecutive and on time payments remitted through our office on your behalf, before the calls stop and the benefits reflect on your statement.

If for some reason you miss a scheduled plan payment and become delinquent while in the program, you may receive past due notices. It is important for you to advise our office of any notices, legal notifications or demands resulting from a missed payment to the Debt Management Program.

Please refer all creditors to our Creditor Services Hotline. Remember not to give your creditors our toll-free telephone number. Your creditors can only receive assistance using the Creditor Services Hotline at (727) 254-5339.

Q. May I continue to use the accounts that are in the Debt Management Program?

A. No. While you are in the program, your accounts will be closed and further charging is not allowed.

Q. My statements reflect a past due balance, when will I receive the benefits of the program?

A. NFDM does not grant you the benefits; your creditors do. If you are not already receiving benefits, you will be soon. The benefits of reduced payments and interest rates, waived late fees and the elimination of collection calls usually occur with the proposal acceptance and after you have made at least three on time and consecutive payments, or once a delinquent account is brought to a current status.

Normally this process called "reaging" occurs within 3 – 4 months or after the past due amount is paid. Keep in mind, each creditor has different terms and conditions, so the benefits will vary according to each creditor. If you are concerned that this requires immediate attention, simply call us and we will answer any questions you may have. However, if you are still receiving late charges and or phone calls after one month of being on the program, and have not received information from your creditor regarding proposal acceptance, please contact our office so this may be thoroughly investigated.
Remember, it takes time and patience in order to properly set up an account.

Q. I have insurance products and club memberships charged to my account with my creditor; do I need to make any changes?

A. You need to determine if these products or services are still needed. Even though your creditor closes your account, these fees can still be charged and increase your balance every month. Should you determine that these services are not needed, contact your creditor directly to stop the charges. If you wish to continue with these services, you will need to add this amount to the payment made to the creditor each month. Please contact our office to adjust the amount of your payment.

Q. Do I need to change my due date with my creditor?

A. When we send a proposal to your creditor, we advise them of the date we will be disbursing your payment. Should you see that your payment is posting after the closing date on your statement, you can contact your creditor to determine if the due date with them should be changed. Creditors typically do not let anyone other than the cardholder change the due date.

Q. Why am I receiving late charges on my statement?

A. If you are receiving late fees after your proposal has been accepted by your creditor and you have made three on time and consecutive payments, you need to contact our office or circle the late charges on your statement and mail the statement to our office so that we can work with your creditor in getting the problem corrected.

Q. Does NFDM pay my bills in full and I in turn pay NFDM?

A. No. NFDM is NOT a loan company.

Q. Can I pay by automatic withdrawal?

A. Absolutely. And we recommend this option. Due to the inconvenience of obtaining and mailing cashiers checks and money orders, we urge all clients to participate in AUTOPAY, our automatic payment system. With AUTOPAY you can make your monthly payment via bank draft. Clients who participate in AUTOPAY have a higher success rate in becoming debt free. For details and information on how to join AUTOPAY see pages 3-5.

Q. Can I pay by personal checks or online checks/bill pay?

A. No, we cannot accept this form of payment. The best option to ensure on time payments is to enroll in our Autopay Program. We now also offer the convenience of making a payment by phone, through our Speed Pay option (please see page 21 for details). We offer other payment options such as cashiers checks, money orders, wire transfers, military and employer allotments. Personal checks and online checks are not permitted at this time.

Anytime you find that you are not able to mail your payment by your due date, please contact our office so that we may discuss these options to expedite getting a payment to your creditors.

Q. What happens to my accounts if I fail to make a payment or make a late payment?

A. Should an unexpected situation arise that prevents you from making your full payment, please call us immediately so we can note our records and make arrangements for a revised disbursement. If we do not receive your scheduled payment by your payment due date, you may receive a letter from us. Please do not consider us another creditor. NFDM is not a collection company.

We are here to help you in any way we can. Disbursements to your creditors will be made when we receive your payment. Therefore, rather than skipping a payment, try to send in a partial payment and your funds will be disbursed as they are available. Please note, without full payments, some creditors may remove your account from their hardship programs. As a result, some of the benefits you receive from our Debt Management Program will be stopped.

Q. What happens if I stop making payments through NFDM?

A. Your communication with us is of the utmost importance in this situation. Your creditors are expecting payments to be remitted from us on your behalf. If there is any disruption to the payment schedule, you risk losing the benefits provided by your creditors. To become debt free, consistent payments are important. We understand that unforeseen problems do arise. If you fail to make payments without communicating with us, termination of the program will occur after 90 days of non-payment. Your creditors will be notified; in most cases, your creditors will no longer extend benefits to you and your interest rates will revert to the contractual terms with your creditors.

Q. Can I make extra payments or pay off my accounts early?

A. Absolutely! If your financial position allows you to pay off one or more accounts early, please contact the Client Services Department to discuss your options and make arrangements for payments. Any extra payments you wish to make must be made through our office; do not make extra payments directly to your creditors. Any violation of this may have a negative effect on the agreements previously negotiated with your creditors. A Client Services Representative will obtain your current balances and discuss payment rescheduling for any remaining accounts.

If you make additional payments through our organization, the extra payments will be applied to your accounts as we see fit, unless otherwise instructed by you. Always include a letter with your extra payments notifying us that the extra funds are designated for increased disbursement. Please remember to include your name and client identification number.

Making extra payments or paying off your accounts through our service does not cost you anything, there is no penalty, and it will save you time. Once those accounts are paid off, then we will direct any extra funds to your other accounts.

Q. What happens if I get laid off or lose my job?

A. If either of these unfortunate situations were to occur, please advise us as soon as possible. Because most of your creditors must see that you have made at least three consecutive and timely payments before extending benefits to you, you should do all that you can not to miss a payment during this critical period. If you find yourself in this situation, please contact us for further assistance and/or advice.

Continue to send in payments as long as you can. If you are in a situation where you can only afford to send a partial payment, it is important to do so in order for your account to remain active and at least some payments will go to your creditors. Should you find yourself in this situation, please contact our Client Services Department so that we can discuss payment plans with your creditors.

When you return to work, please contact us immediately. We will assess the condition of your account at that time. We will work with your creditors during this difficult time, however some of your creditors may discontinue participation in the Debt Management Plan if full payments are not received. We will discuss the best method to get your accounts back in good standing.

Q. Will I continue to receive monthly statements from my creditors?

A. Yes. It is critical to review your statements each month to ensure that the respective accounts are properly credited. If you do not review your statements on a regular basis, you may not know if there is incorrect information until it causes a problem. If there are any discrepancies, please contact our Client Services Department as soon as it occurs; we will work with you immediately to correct the error.

Most creditors will send information directly to you; they do not supply us with this information. Open and read EVERYTHING, your creditors send you and contact us regarding anything relating to your payment plan. Please remember to send us the most recent creditor statements in their entirety every 3 months for our review.

Q. May I add new bills to the program?

A. Yes. There is no charge to add a new bill to the program. Please send the bill through our client portal www.members.nfdm.org or fax to (877) 751-8075 and clearly print your name and your client identification number on it. It is also very important to mark the bill with the words "NEW BILL – ADD TO PROGRAM". We will need your client identification number, your creditor's name and the account number, the payment address also the account balance on the portion of the bill you submit in order to accurately add the bill to your program. If your account is with a collection agency, please provide us with the original creditor information. Once we have added the bill to your account with us, we will send you notification. You will need to continue to make payments to your creditor until you receive notification from us of your revised monthly payment amount. Your monthly payment will increase to allow for the liquidation of the new debt. Please be advised, we cannot add secured debts such as auto loans and mortgages to the program.

Q. What if I move or change my telephone number?

A. Please contact the Client Services Department as soon as possible to notify us of your new address and/or telephone number. It is vitally important that you always keep us informed of your contact information. Don't forget to notify your creditors directly as well.

Q. After I complete NFDM's Debt Management Program will my accounts be reactivated?

A. Reopening your individual accounts can only be done through the credit department of the respective creditors. You may be required to submit a new credit application. Some creditors may automatically reactivate your account, provided that you made all your payments as agreed.

Q. What information does NFDM report to the credit bureaus?

A. NFDM does not report any information to the credit bureaus. In most cases, joining a Debt Management Plan, making consistent on-time payments, and liquidating your outstanding debt will have a positive impact on your credit rating. However, missed payments, whether enrolled in a debt management plan or not, will have a negative effect on your credit rating.

If you can continue to pay your creditors and make your first and subsequent payments on time, your credit report should reflect a positive payment history. NFDM encourages you to review your credit reports from each of the three bureaus every year. You should confirm that all accounts listed are yours and check carefully for inaccuracies. Be sure that any negative items older than 7 years are removed. Please understand you are responsible for your debts and should you fall behind, the information will reflect on your credit report. Keep in mind, there is a difference between incorrect information and negative information.

If the negative information is accurate, it will remain on your credit report. The best way to work towards a positive report is by making consistent on time payments.

Q. I received correspondence from your office, why are you contacting me?

A. It is imperative that you read and respond to all information sent from our office. Generally we are attempting to contact you as a result of a request from you or your creditor, and were unable to reach you via telephone.

You will also receive correspondence from us if we have not posted a payment to your trust account by the scheduled due date. Please do not view this as a collection letter.

If the client identification number is missing or your name is illegible, we may not be able to identify your payment. Please be sure to clearly mark all payments with *your* Client ID number and *print* your full name.

Your prompt response will assist us in getting the payment applied to your account and disbursed to your creditors.
Our office may also send a letter requesting you to confirm a balance on your account. If you receive such notification, it is important that you contact us immediately with the information provided on your statements from your creditors.

Q. Whom do I contact if I still have questions?

A. First, read this booklet in its entirety. It is designed to answer many of the most frequently asked questions. If you need further clarification or help, please call our Client Services Department.

The telephone number is:
(727) 254-5353 or toll-free at (866) 799-2122.

You may also contact us via our web portal:
https://members.nfdm.org.

Education Is The Key To Financial Freedom

A Letter from our Executive Director

Congratulations on taking this important step to a brighter financial future. In today's "spend, spend" consumer society, you are to be commended for making a commitment to getting out of debt and taking charge of your finances. I am confident that with NFDM's help you will be motivated to make positive changes in your life.

As a consumer educator and advocate, I have been helping people solve their credit problems for more than a decade. I know that the personal financial education that NFDM offers works. Our Educational Team has created numerous publications to help you improve your personal finances. You'll get the tools you need not only to become debt free, but also to use your money wisely, plan for the future, and build financial reserves. The topics that I have developed cover a wide range including identity theft, how to build a better credit rating, how to buy a home, and how to pay for college. Everyone at NFDM is here to support you and help you.

We look forward to making our partnership a successful one and offering you the best personal financial literacy courses available.

Russell Graves
Executive Director

Tools for Financial Freedom

Personal financial literacy is crucial to successful money management. At NFDM, we hope to provide you with the tools to achieve freedom from debt and help you reach your financial goals.

Our monthly newsletter, The Right Track, is emailed and includes financial news, current events, seasonal money saving ideas, and updates on NFDM's happenings. If you have provided us your email and have not received The Right Track, call a Client Service representative and please let them know.

Our Website **www.nfdm.org** also has a comprehensive learning center with article topics ranging from how to find a home mortgage and handling financial stress to the danger signals of credit card abuse.

Speed Pay

Is a *new* way to make a payment!!

It is easy and very convenient!!
You can now make your monthly payment by phone!!

Call Toll Free
1-877-751-8074

To use Speed Pay, follow these 3 easy steps:

1. ***Have your NFDM client identification number available.***

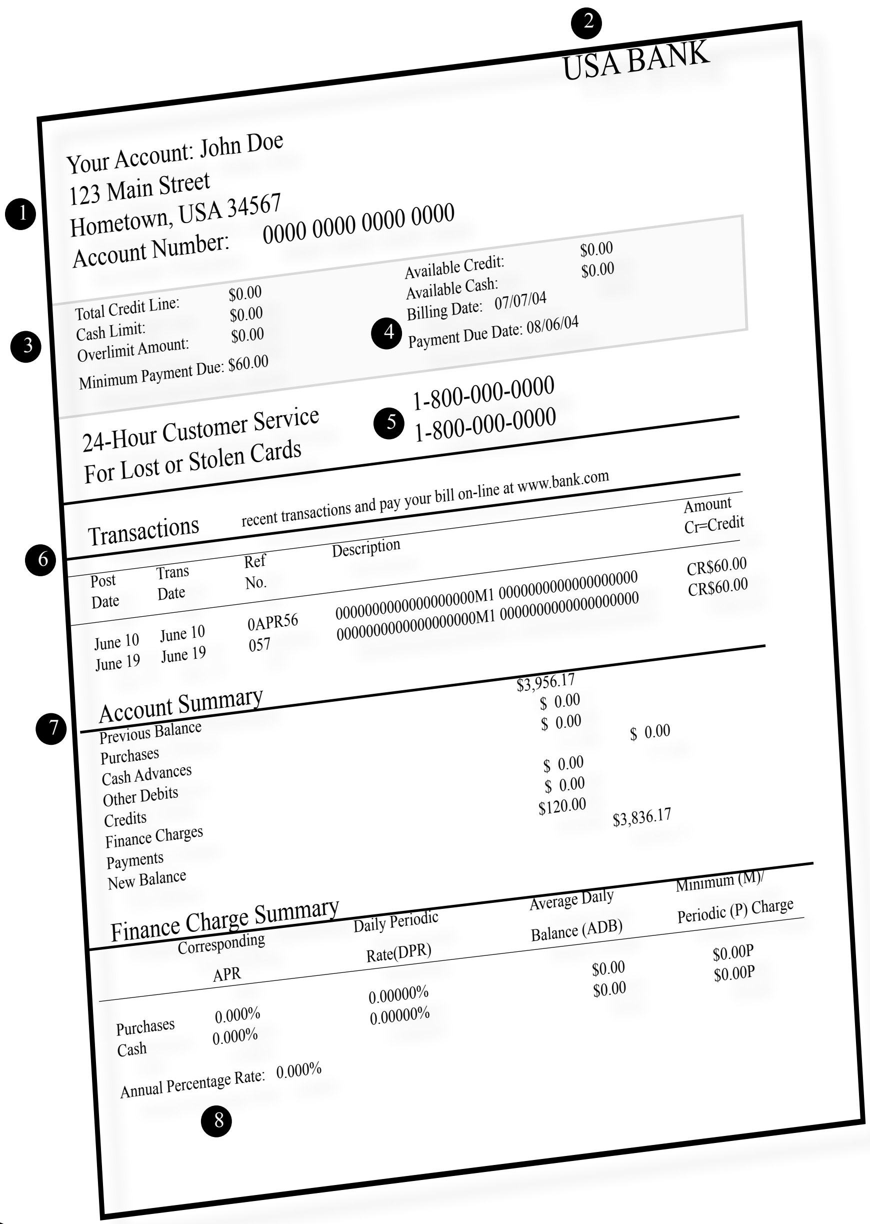
2. ***Have a blank check available for bank account and routing purposes only.***

3. ***Call our special toll-free Speed Pay Hot-line at 1-877-751-8074.***

This convenient Speed Pay program allows all payments to be made with just a simple phone call and will cost less than most overnight alternatives!

Please note, there may be a service fee charged for this transaction. Additionally, there is a 6 day hold on funds transmitted via this service. All return drafts may be assessed an administrative charge. All conversations will be recorded for verification purposes only.

Understanding Your Credit Card Statements



While on the program, you will continue to receive monthly statements from your creditors. It is your responsibility to read your bills as they will confirm receipt of payments made by NFDM on your behalf. Within the first few months you will begin to see the benefits of our program reflected on your statements.

NFDM does not receive monthly bills from your creditors, therefore, we rely on you to review your Credit Card Statements each month. This example will assist you in knowing what to look for on a statement:

1) Personal information such as your name and mailing address should be verified. Any changes in name and address should be reported to your creditors immediately to ensure that you receive future Credit Card Statements. It is critical to inform us of any changes.

2) The name of the company that extended credit to you.

3) This portion of the bill displays the minimum payment due which includes past due and over-the-limit amounts.

4) The Billing Date, also referred to as the Statement or Closing Date, represents the last day of the billing period. Please confirm that a payment has posted within the billing period and prior to your due date on the account.

5) Your Credit Card Company's contact information.

6) A summary of all activity on your account including recent purchases, payments, and optional insurances.* Review for accuracy and call NFDM if there are any discrepancies such as late or over-the-limit fees.

7) This is a progression of your account balance over the billing period. This section includes your previous balance, purchases and debits, payments and credits, and finance charges resulting in your balance. Confirm that your payment has been applied to your account and that your balance is decreasing.

8) The Annual Percentage Rate (APR) is the rate of interest you are charged for borrowing the creditors' money. This rate is used to calculate the finance charges on your account. Interest rate concessions vary by creditor.

Please call our office if you find any inconsistencies or errors on your bill. Remember to send your statements to us every quarter to review so that we can monitor your accounts and make sure that you are receiving all of the benefits for which you are eligible.

*Now would be a good time to review your needs for optional supplemental insurances/benefit programs as these charges continue to add to your balances each month and may slow down the rate of liquidation.

BUDGETING MADE EASY
A STEP-BY-STEP IMPLEMENTATION OF A SPENDING-PLAN

We suggest that you make several photocopies of the worksheets on the few next pages. This will allow you to adjust your budget and track changes as the months pass.

STEP 1
List all sources of monthly income including gifts, bonuses, tax refunds, cost-of-living increases, allowances, etc. To keep track of your income, use the Income Worksheet on the next page.

STEP 2
Expenses are separated into three categories: "fixed," "flexible" and "discretionary". To keep track of your expenses use the Expense Worksheets. Fixed Expenses remain the same each month. These include rent, student loan payments, car payments etc. Total all fixed expenses.

Flexible expenses are those in which you control the amount of money you spend. These include household and grocery items, restaurant expenses, utilities, entertainment, out-of-pocket expenses, etc. Total all flexible expenses.

Discretionary expenses are items that are not necessary for survival. If your expense to income ratio is out of balance and you are spending more money than you earn, items from this category should be eliminated or cut back. Total all discretionary expenses.

STEP 3
Total all of your expenses from each sheet (fixed, flexible, and discretionary). The next step is to subtract that figure from your total monthly income. This figure will tell you where you are - in the RED or in the BLACK.

If the expense total is greater than the income total, you are off track financially. If you are in the black, that's great! Now you just have to figure out how you should use the extra money. It should be for savings or allocated to an emergency fund. If you are in the red, you must adjust your income or reduce your expenses.

The goal is to bring your finances into balance so you can get out of debt. Adjust your flexible and discretionary expenses as best as possible and write the new amount you want to spend in the right column of the expense sheets.

STEP 4
Next, you have to allocate what expenses will be paid from which pay period. On a calendar write down what dates you will be receiving income. Using a different color ink, write in the dates of when your individual bills are due. This will help you figure out what bills and/or expenses you must pay from which pay period and will give you a clear idea of how much money you must set aside from each paycheck/allowance.

STEP 5
Once you adjust your expenses to your income, find ways to dedicate a certain amount of any surplus money to pay off your most costly debts. When your credit cards and loans are paid off, your priority should be to allocate 5% of your monthly income to a savings account.

The goal is to build enough savings to create a reserve account. This method will save you from living paycheck to paycheck and help you deal with the surprises of life.

Review your spending plan each income period. At the end of each, compare actual expenses against what you budgeted. Don't be afraid to change your budget and re-work the numbers. It must evolve as your life does. If you find a particular thing is not working - change it! As time passes, and you fine-tune your budget, you may want to only perform this comparison on a quarterly basis.

INCOME WORKSHEET

Use this form to track your income. List all sources of income including cash gifts, bonuses, tax refunds, cost-of-living increases, etc.

All earnings you list should be net amounts (after tax).

Income Source	Weekly/Bi-Weekly Income	Monthly Income
Your Wages		
Spouse's Wages		
Part-Time Wages		
Child Support		
Alimony		
Social Security Benefits		
Veteran's Benefits		
Other		
Other		

FIXED EXPENSES
Use this form to track your fixed expenses. These expenses remain the same each month and include student loan payments and car payments.

Monthly Expenses	Current Payments
Mortgage/Rent	
Real Estate Taxes	
Home Owners Insurance	
Car Loans/Lease Payments	
Car Insurance	
Student Loans	
Alimony/Child Support	
Medical Insurance	
Consolidated Credit Counseling Services Program Payment	
Other	
Total	

FLEXIBLE EXPENSES

Flexible expenses are those that allow you to control the amount of money spent. These include household and grocery items, restaurant expenses, utilities, out-of-pocket expenses, etc.

Monthly Expenses	Current Payment	Adjusted to Balance Income
Telephone Bill		
Electric/Gas		
Oil/ Fuel Bill		
Cable Television Bill		
Groceries		
Household Supplies		
School Supplies		
Clothes		
Dry Cleaning		
Laundry		
Savings (5% is your goal)		
Other		
Total		

DISCRETIONARY EXPENSES

Discretionary expenses are items that are not necessary for survival. If your expense to income ratio is out of balance, items from this category should be eliminated or cut back.

Monthly Expenses	Current Payment	Adjusted to Balance Income
Recreation		
Movies/Plays		
Dining Out		
Sporting Events		
Magazines		
Newspapers		
Barber/Beauty Salon		
Hobbies		
Fund Raisers/Dues		
Other		
Other		
Total		

End of the Month Budget Analyzer

Month/Year__________Monthly Salary__________Other Income__________

Expenses	Budgeted	Actual
HOUSING		
Mortgage/Rent	$__________	$__________
Electricity	$__________	$__________
Gas/Oil	$__________	$__________
Taxes	$__________	$__________
Insurance	$__________	$__________
Telephone	$__________	$__________
Repairs/Upkeep	$__________	$__________
Other	$__________	$__________
HOUSEHOLD ITEMS		
Groceries	$__________	$__________
Supplies	$__________	$__________
Self Care	$__________	$__________
Toiletries	$__________	$__________
Clothing	$__________	$__________
Accessories	$__________	$__________
Dry Cleaning	$__________	$__________
Life Insurance	$__________	$__________
Medical	$__________	$__________
Dental	$__________	$__________
RECOVERY		
Spiritual	$__________	$__________
Therapy	$__________	$__________
Financial Counseling	$__________	$__________
CARE		
Child Care	$__________	$__________
Parental Care	$__________	$__________
Pets	$__________	$__________
TRANSPORTATION		
Car Payment	$__________	$__________
Insurance	$__________	$__________
Gas	$__________	$__________
Parking/Tolls	$__________	$__________
Bus/Train	$__________	$__________
ENTERTAINMENT		
Movies	$__________	$__________
Video Rentals	$__________	$__________
Concerts	$__________	$__________
Sporting Events	$__________	$__________
Dining Out	$__________	$__________
Other	$__________	$__________
SAVINGS/INVESTMENTS		
Savings Account	$__________	$__________
Emergency Fund	$__________	$__________
Retirement	$__________	$__________
Stock/Mutual Funds	$__________	$__________
MISCELLANEOUS		
Petty Cash	$__________	$__________
Allowance	$__________	$__________
Gifts	$__________	$__________
Periodicals/Magazines	$__________	$__________
Dues/Donations	$__________	$__________
Other	$__________	$__________

The Power of Consistent Payments

Time and time again clients call us regarding certain problems they may be experiencing with their account. The cause is usually the same: INCONSISTENCIES WITH PAYMENTS.

Our program is designed so that client payments are due at a certain time of the month, each and every month. If full payments are not received by your creditors on the agreed upon date, current and future payment periods will be disrupted. Clients must realize these problems will continue to linger until the account can be re-aged* again (usually after one year or more due to federal regulations) or the past due amount is made up.

In order to protect your relationship with your creditors and ensure the success of this program, we must insist that all clients make their full monthly payment by their assigned due date. Any late or partial payment will disrupt the task of keeping finance charges down, as well as late charges off your account.

If a creditor drops you from the program, all the interest charges and late charges will be reinstated and you will be in the same boat you were in prior to joining our program. Don't make this mistake. Don't throw your future away!

Attention Military Personnel

Pay your bills when you are on the other side of the world! Make your life easier and contact your base payroll coordinator to set up an automatic monthly allotment to be forwarded to our office each month.

Due to the volume of payments we receive, all clients must clearly print their name, address, and client identification number on each remittance made to our office. Remember to put your correct client identification number on each money order or certified check that you send, as well as all correspondence to our office. If you are not sure of your client identification number, please call our office.

*Re-aging debts is the process by which a collection agency reports the debt as becoming delinquent on the date it was referred to the collection agency in an effort to extend the time during which the debt can be reported on a consumer's credit report.

Client Services

As part of our continuing effort to provide you with superior client service, we have installed a toll-free client service line. By calling 1-866-799-2122 you will have direct access to our office at no cost to you. However, this toll-free number is for clients only and is not to be given to your creditors. Creditors must call our Creditor Service Hotline at (727) 254-5339. You can also access our online Client Service Center at **https://members.nfdm.org** where you can conveniently manage and review your accounts online.

We currently have representatives who speak English, Spanish, French, Russian, Portuguese, and Creole. If you wish to be assigned a representative who speaks one of the above languages, please let us know. We are here to help you fulfill your goals and we are willing to make any necessary adjustments to meet your needs. If by chance you do get forwarded to voice mail, please leave your name, client identification number, home and work telephone numbers, as well as a detailed message regarding the reason for your call. We will return your telephone call as soon as possible.

Dropping a note in with your monthly payment regarding inquires can be a beneficial time saver. Always make sure that your name and client identification number is noted on all correspondence. Sending us a letter ensures that the correct person will be answering your questions. We will also have a written record of your request that can be added to your file for future reference.

Know Your Rights!!!

You have certain rights under the Fair Debt Collection Practices Act. Congress passed the Act in 1977. This law covers personal, family, and household debts. This includes money owed for the purchase of a car, medical care, and for charge accounts.

The following is a list of the debt collection practices that are prohibited:
Harassment: Debt collectors may not harass, oppress, or abuse any person. They may not use threats of violence or harm, profane language, or publish a list of consumers who refuse to pay. Additionally, the collectors cannot repeatedly use the telephone to annoy someone without identifying themselves.
False Statements: Debt collectors may not use any false statements when collecting a debt. They are prohibited from falsely implying they are an attorney, or that you have committed a crime. They may not say that they will seize, garnish, attach or sell your property or wages, unless they intend to do so and if it is legal in your state.
Unfair Practices: Debt collectors may not engage in any unfair practices! They cannot collect more than you owe. They cannot deposit a postdated check before the day it is dated. They cannot call you collect or send you a collection postcard.

If you feel you are being harassed, it is imperative that the following procedures be followed exactly if you want to get these calls stopped!

1) When you receive a call, immediately have the caller identify themselves with their name, address, and phone number.
2) Do not make promises that you don't have the ability or desire to keep.
3) If a collector calls you at work at the completion of the call say, "Calling me at my job may jeopardize my employment. I realize that I have a financial obligation to you; however continuous calling will not get this matter resolved. National Foundation for Debt Management is helping me rectify this problem. Please stop calling me, call NFDM at (727) 254-5353. Thank you." Then politely hang up.
4) If the calls continue, send the creditor a letter following the guidelines on the next page. Write the letter to the attention of the person that called you and their manager. This correspondence should be sent via certified mail, return receipt requested.

Remember, knowledge is power!

LETTER TO STOP HARASSMENT
(Sent Via Certified Mail)

DATE: ___________________

TO: ____
____
____
(Name & Address of Company)

FROM: ____
____
____
(Your Name & Address)

SUBJECT: MY ACCOUNT ___________________________
(Client Identification Number)

To Whom It May Concern:

Please be advised that on __________________ I requested that your representative _________________ stop calling me at home or at work. These continuous calls are serving no purpose but to harass me. I realize that I have a financial obligation to your company. However, my present financial situation makes it impossible for me to meet our original terms.

I have enlisted the services of National Foundation for Debt Management to help me rectify my situation. Please make any further calls pertaining to my account to them at (727) 254-5339.

I am exercising my right granted by the Bureau of Consumer Protection, a division of the Federal Trade Commission, to request that no one from your company call me at home or at work again. If you must contact me, please do it via U.S. Postal Service.

I have every intention of fulfilling my obligation with your company and I hope you will work with National Foundation for Debt Management and myself to achieve this goal.

Thank you in advance for your cooperation.

Sincerely,

_______________________________________ (Print Name)

_______________________________________ (Sign Name)

If you ever fear that your payment may be late...

AutoPay

With AutoPay you will never have to:

- Buy money orders or certified checks.
- Worry about your payment being late or lost.
- Make unnecessary trips to the post office.

Speed Pay

Is a ***new*** way to make payment!!

You can now pay your monthly payment by phone!!

It is easy and very convenient!!

Call Toll Free

1-877-751-8074

Western Union's My WU

My WU is a fast, reliable, and convenient service allowing you to send us your payments within minutes!

Call 1-800-325-6000 to locate the Western Union agent nearest you.

Fill out a My WU Form using the following information:

Pay to: National Foundation for Debt Management

Code City: nfdm State: NJ

Please remember to include your NFDM client identification number.

Privacy Policy

FACTS	What does National Foundation for Debt Management ("NFDM") do with your personal information?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the righ to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and Bank Account numbers and Loan Account numbers. • Budget and Income information as well as Credit Report data. • Credit Card balances and Credit Card account numbers. When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share client's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their client's personal information; the reasons NFDM chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does NFDM share?	Can you limit this sharing?
For our everyday business purposes- such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes- to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes- information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes- information about your creditworthiness	Yes	No
For nonaffiliates to market to you	No	Yes
Questions	Call 727-254-5353 or go to www.nfdm.org	

Privacy Policy Continued	
Who we are	
Who is providing this notice?	National Foundation for Debt Management. ("NFDM")
What we do	
How does NFDM protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does NFDM collect my personal information?	We collect your personal information, for example, when you • Enroll in our programs or during a counseling session • Enroll in our classes or during an education program • Seek our advice on options to handle your debt situation. Housing Counseling including Foreclosure Counseling, Bankruptcy Counseling and Education, Budget and Credit Counseling
Why can't I limit all sharing?	Federal law gives you the right to limit only • sharing for affiliates' everyday business purposes - information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • Consumer Credit and Budget Counseling • Warrior Support Services
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

NOTES

NOTES

NOTES

www.nfdm.org

14104 58th Street North, Clearwater, Florida 33760