

What are my options?

I have all of this debt and I don't know what to do.

According to the Federal Reserve's March 2010 report on consumer credit, the **average household credit card debt was \$16,007.00** not including other obligations such as a car payments, mortgage/rent payments and daily living expenses.

If your financial problems are keeping you awake at night or you constantly feel a financial burden, there are things you can do. You have choices! When choosing the best option to become debt free, be sure to weigh the facts. Choose an option that works best for you and your budget.



Sell, Sell, Sell

Do you have any assets you could sell? A timeshare, car, coin collection or jewelry? Do you have items tucked away in storage or items you simply do not use anymore? Consider holding a garage sale or selling these items on an internet site such as eBay or Craigslist to earn extra money and pay down a few bills. If using the internet to sell items, be mindful of identity theft when placing ads. Many people have had success cleaning out their closets and making a few extra dollars on items they no longer use. This is a quick way to earn a little extra cash, but remember this will not help with long term stability issues.

Refinancing

Refinancing can be a great option for those who own a car or home. Refinancing is simply replacing your current loan with a new loan that offers better conditions. For example, let's say you have been making car payments for the last two years, have three years left on the loan and choose to refinance it. If you choose to refinance the car for the next ten years, you now have ten years to pay off what you originally had planned to pay off in three. Your monthly payment will be lower and you can apply the money "saved" on the monthly payment to pay down other debt. Only consider refinancing if you can get a better interest rate than the one that you currently have. Usually, it is not financially beneficial to refinance at a higher interest rate or you will be paying more money to the creditor. Don't forget to factor in the cost of refinancing, as you most likely will be charged closing costs.

Contact your creditors

Call each of your creditors directly and ask for their assistance. They may be willing to temporarily lower your interest rate and/or monthly payment because you are experiencing financial hardship. Contact your creditors *before* you miss a payment and be honest about your ability to pay.

Debt Management Program

Debt Counseling Corporation (DCC) can offer you a viable option through its Debt Management Program (DMP). As a not for profit organization, DCC has an agreement with most creditors. This agreement allows us to offer you the opportunity to pay off your credit cards at a lower interest rate (instead of the rate you are currently paying). This lowered rate is not temporary – it will continue until your credit cards are paid in full. These lowered interest rates normally result in a lower monthly payment which enables you to pay down your debt while maintaining a better quality of life. Through the DMP you will be on track to pay back your debt in full in five years or less! We also offer ongoing education and support. We will teach you in a way that will give you the tools you need to avoid building debt not just in the moment, but over a lifetime. Debt Counseling Corporation can put you on the road to ...a brighter tomorrow!



Bankruptcy is a legal process which allows you to have certain types of debts cancelled by a court order. If the amount of your debt is very disproportionate to your current and anticipated income, you should consult a bankruptcy attorney to help you understand your legal options so you can determine if bankruptcy is a the right choice for you. Be very cautious before choosing this option. Once you have chosen bankruptcy, this decision will stay on your credit report for 10 years.

At DCC, we're here to help. If you have any questions or need further assistance when choosing an option to get yourself out of debt, please call one of our certified credit counselors to assist you.

Want to learn more? Call us for a no-cost consultation about this and other financial topics.

Toll-free: 1-888-354-6332

*Debt Counseling Corp. is a not-for-profit organization
providing education, counseling and advocacy to consumers like you.*

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