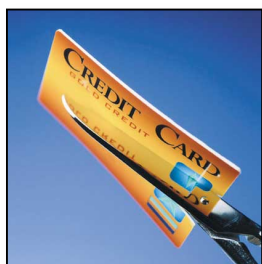


Eliminating CONSUMER DEBT

If you or someone you know has become “credit card challenged,” here is a step-by-step strategy for taking control.

First, call toll-free: 1-888-5OPT-OUT (1-888-567-8688) and stop “pre-approved credit card offers” from coming in the mail.



Call the following credit card companies and ask about their special offers, rates and terms:

FirstUSA Bank: 800-955-9298;
Fleet Credit Card: 800-225-5353; **MBNA America:** 888-227-3717; and **American Express:** 800-600-2583.

Look for low, introductory interest rate offers, for as long a term as possible, with “One-Cycle” billing, in which they calculate interest once, rather than twice, per month.

Gather all of your current credit card bills and review the balances, interest rates and terms for each. Call the related company for each card you have with an interest rate over 11% and ask about obtaining a lower interest rate. Let them know that you are determined to eliminate *some* of your credit cards and want to know their best available rate. Often you will find they will drop the rate to as low as 9.99% or less.

If negative credit information has already been reported to credit bureaus you will not be able to get the best rate available. Request a copy of your credit report if you are not offered the best rates so you can assess the problem.

- 1 Negotiate the rates down as low as possible on your existing credit cards then cut them up.
- 2 If you have short-term debt, i.e., 12 months or less, you may consider putting it on one of the low, introductory rate cards mentioned above so that you’ll pay the least amount of interest over time. You may even want to transfer the balance to a similar card in 6 months to take advantage of another low, introductory rate until the debt is gone. (In any case, be sure that the end rate after the introductory rate is as low as, or lower than, what you have now.)
- 3 If you have long-term debt, i.e., greater than 12 months, consolidate all that you can to a credit card with the lowest available rate.
- 4 Pay as much as you can each month to the company that is holding you at the highest rate of interest, while paying the minimum on the other cards.
- 5 Once that account is paid off, take the same amount you’ve been paying and *add it to the minimum payment you’ve been making on the next card with the highest rate until it’s paid off.* Continue to pay the minimum on the remaining accounts.
- 6 Repeat this process until all cards are paid off.
- 7 After you finish paying off an account, make sure to call that card company and close the account.
- 8 Keep one low-interest card put away for emergencies, but maintain a zero monthly balance at all times by paying it off when due.
- 9 Begin to invest the same amount of money you have been applying to debt every month, to reinforce that *thrift must continue* to develop a mindset of abundance.
- 10 All along the way, spend a few moments every day imagining what it will feel like to be debt-free and to pay cash for every purchase... and, look forward to a comfortable retirement!

GREAT READING ON THE MINDSET: Suze Orman's
You've Earned It, Don't Lose It: Mistakes You Can't Afford to Make When You Retire
The 9 Steps to Financial Freedom
The Courage to Be Rich: Creating a Life of Material and Spiritual Abundance