

Our Services

Our no-obligation services to all members of our communities include:

- * Credit Counseling
- * Budget Counseling
- * Development of debt elimination strategies
- * Credit report review

Do you know a member of your staff, one of your customers, or a friend or acquaintance in a club or organization to which you belong who would benefit from such services? Please have them call us today. Thank you for the thoughtful referrals!

Debt Reduction Services

Personal Finance Tips

- *Avoid carrying a balance on your credit cards.
- *Be on time or early with your credit card payments.
- *Treat your credit card purchases like a check. Make sure there's money in your checking account to pay for the items before making the purchase.



A real solution.

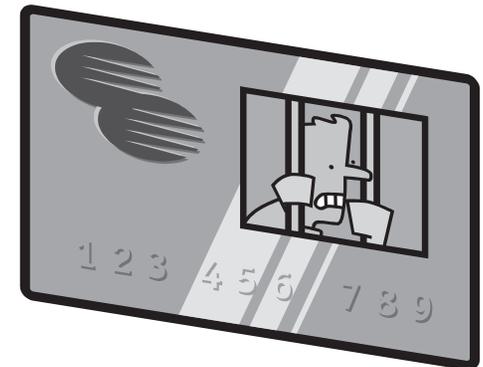
www.DebtReductionServices.org

Debt Reduction Services

Warns

BE WISE AND BEWARE!

**Tired of Debt?
Consider your Options!**



A real solution.

Your Goals: Get out of Debt and Protect Your Credit?

SO WHAT ARE MY OPTIONS?

Payday Loans & Check Cashing Services

A Payday Loan is a small, short-term loan at an extremely high interest rate, usually a cash advance loan secured by a personal check. These services may also be known as check advance loans, post-dated check loans or deferred deposit check loans.

The finance company usually charges a fee to the borrower as

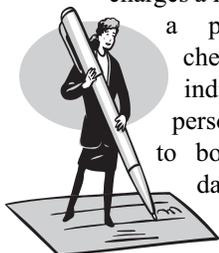
a percentage of the check's value. If an individual writes a personal check for \$115 to borrow \$100 for 14 days, that \$15 "fee" is equivalent to **391% annual interest.**

"Rolling-over" (extending) the loan past the original agreement can incur greater fees. If rolled over 3 times, the above example equates to paying \$160 to borrow \$100!

Alternatives

Explore small loans from a credit union, bank, employer, family members or friends. Always shop around for the best interest rates and terms, as well as the lowest penalty fees.

Budget your income and control your spending. Contact Debt Reduction Services for related educational materials.



Debt Settlements and Debt Negotiations

When credit card debt becomes overwhelming, too many individuals trust emails and ads that claim to help out by negotiating down the total balance of money owed—also known as debt settlement. As in most cases in life, if it sounds too good to be true, it probably is. Settlement companies collect a monthly payment from you while your credit card companies charge off your accounts, heavily damaging your credit history for years to come.



Though never guaranteed, let's say you eventually reach a settlement to pay back 50% of the original balance owed to your creditor. You will also owe up to 25% of the settlement amount to the debt negotiator. You may even remain legally responsible for the remaining balance, and you may receive a 1099-C form from the creditor informing you that you must pay taxes on the settlement amount.

Alternatives

Rather than destroying your credit history for the next 7 years or more, most independent, financial specialists would suggest that you first contact a reputable credit counselor, such as Debt Reduction Services.

Besides providing you with strategies for eliminating your debt, credit counselors will also help you address the root causes of your financial challenges: personal budgeting, spending controls and learning how to use credit wisely.

Home Equity Line of Credit

Borrowing cash against the equity in your home, even at low annual interest, in order to pay off high interest credit card debt should be approached with great caution. Giving a lender the right to your home in exchange for paying off unsecured credit card debt is a risk many borrowers do not thoroughly consider. If you do not, or cannot, make the payments, you could lose your home.



Alternatives

Rather than only addressing the symptom (high interest debt), attack the cause: poor money management skills. Contact Debt Reduction Services for educational programs and materials to help build sound personal financial habits.

Debt Reduction Services
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