

YOU HAVE FOUR OPTIONS: Examples

1. DO NOTHING: Struggling to make minimum payments will cost over 300% of your principal of **\$20,000** over 10+ years (**\$60,000**), or "sink slowly in the quicksand" with never-ending interest, late fees, over-limit fees, collection fees, lawsuits, judgments, executions and liens that must be paid before a home is bought or sold.

2. BANKRUPTCY (Chapter 7) Legal fees, forfeit property, depressing, court hearing, NO CREDIT, "Life sentence" of higher interest rates, affect on employment.
BANKRUPTCY (Chapter 13) Same as Chapter 7, plus you pay what the court orders over 5 years and your case may be dismissed if you miss a payment!

3. CCCS (Consumer Credit Counseling Service)

(or any of the thousands of non-profit "debt consolidators")

Pay 100% of principal (\$20,000), Interest (10% avg), fees \$25 per/mo.

\$ 460.00 monthly payment (usually 2.3% of total amount owed)

60 months to plan completion (5 yrs.)

\$ 27,600 total paid (debt X **140%**)

ALSO: credit score effected for 5 years; late fees can still occur; dropped from program (no emergency flexibility) for missing a payment with all interest added back

4. COUNSELING & NEGOTIATION (Dominic DeSandro d/b/a FFL)

\$ 400 monthly "program deposit" (2% of total owed)

33 months to plan completion (33 months)

\$ 13,200 total paid (debt X **66%**), possibly less!

DURING PROGRAM

Immediate increase in available spending money

Collection calls handled by negotiation agent

Program designed to avoid litigation and/or judgments

Have "emergency flexibility" of payments during program

After settlement, negative entries on credit report (like lates, charge-offs, etc) are replaced with "Paid-Settled" entry on report

AFTER PROGRAM you will have established savings habits and ...

Freed up income to save for emergencies and purchases,

Have "Credit-worthiness" (ability to repay) and prime rates too

Have a higher FICO (credit score) than you started with

"Trying to hang on is not possible, BANKRUPTCY is not desirable, and a "non-profit" program may not even be do-able or will cost over twice as much. The "pro-active" choice is to pay 2% per mo. for 33 mos. (\$13,200), get debt free, and use our credit restoration services and budget advice to further build financial strength.

HOW DEBT NEGOTIATION & SETTLEMENT WORKS

This program uses NO "NEW" MONEY. We efficiently use the money you have been trying to pay debt with. We eliminate your debt for 66% (or less) of the amount you owe, in three years or less, & improve your credit in the process.

Due to hardship, you have had to choose to not make payments on time, and are not able, in the future, to pay the creditors as agreed. Neither you or the creditor want you to go bankrupt, but the creditor wants to recover something.

Alternatively, you choose to not pay anybody, but choose to negotiate a lump-sum settlement with everybody. All the income you had been using for "debt service" you choose to accumulate monthly in a "settlement account".

We consult with you about your hardship, review your debt, **establish a monthly budget**, and determine what you can commit to your **debt program**. We establish a monthly **"settlement deposit"** (target of 2% of principal owed).

Each month you put a "settlement deposit" into a separate trust account ("settlement account"). Your consultation and retainer fees (for starting representation) are paid from a portion of your "settlement deposits".

"Freedom Financial Law" (FFL) is your new financial agent, and **letters of representation are sent to each creditor when they start calling, to get them to call us.** You must cease using all non-business credit cards. A low-limit business credit card, paid off monthly and carrying no balance, may be OK.

FFL plans a negotiation strategy of which creditors to call first, and when. FFL stays aware of your settlement deposits. **When enough money has accumulated, negotiations begin.** If you are able, additional monies can be deposited (at any time) into your settlement account to accelerate the program.

When a **good written offer from the creditor is negotiated AND approved by you**, FFL pays the creditor the lump-sum settlement from your trust account. **You pay FFL a "negotiation fee": 25% of the savings from negotiations.**

Example: A \$1000 debt is settled for \$400 = \$600 savings(x25%)= \$150 neg fee
Total cost to settle account: \$400+\$150= \$550 (Account settled for 55%).

As money accumulates, accounts are negotiated over 36 months (or less). The creditor is satisfied. **Your credit report shows all your accounts as "ZERO BALANCE - PAID SETTLED", and you have achieved financial liberty !**