

STOP CHARGING AND START TAKING CHARGE OF YOUR DEBT

Debt elimination is actually very simple

- ❖ Pray. Ask for the Lord's help and guidance. Even if you can afford to pay only a small extra monthly prepayment to reduce your debt, please do it. The Lord can multiply your efforts.
- ❖ Allow no more debt (no bank or family loans and, if necessary, cut up the credit cards).
- ❖ Develop a good balanced budget that allows every creditor to receive as much as possible.
- ❖ List your assets—everything you own. Evaluate the completed list to determine whether you should sell any assets to apply to your immediate debt reduction.
- ❖ Start retiring the debt now. Begin with highest interest first. If the debt balances are approximately equal, pay the one with the lowest balance first. Once it is paid off, put all the money on the next, and so on. The average family can be debt free in three years or less. Sound simple? It is. But it requires determination and consistency.

Run toward your creditors, not from them

It's difficult to negotiate with a creditor who has been ignored. Most creditors respond to a specific request that is backed by a detailed written plan. The plan should include what you owe, a copy of your budget, and a detailed plan showing exactly how much you can repay each month.

Already being hounded by debt collectors?

The Fair Debt Collection Practices Act, passed by Congress in 1977, prohibits certain methods of debt collection. Debts covered under the act include such things as money owed for cars, medical care, or charge accounts. Remember that this law does not erase any legitimate debt you owe.

If you have questions about your rights under this act, contact the Federal Trade Commission. Report a problem with debt collectors to your state attorney general's office; they can help define your rights.

Informative debt-free living materials

- ❖ *Debt-Free Living* (chapter on the Fair Debt Collection Act and dealing with creditors)
- ❖ *Using Your Money Wisely*
- ❖ *Business by the Book*
- ❖ *How to Manage Your Money*
- ❖ *Financial Guide for the Single Parent*
- ❖ Small-group studies for adults and college students
- ❖ *Every Single Cent*

Free materials

- ❖ Budget Guide
- ❖ Answers to Your Questions About Bankruptcy
- ❖ God's Principles for Operating a Business

- ◆ Major Purchases
- ◆ Materials Catalog

To order call (800) 722-1976 (materials only).

Online tools to analyze your spending and articles are available in the Articles Index section of our Web site, www.crown.org. For more information on getting your debt under control and becoming debt-free, write to:

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