

## SEVEN FINANCIAL OPTIONS

### 1. Increase Income

- Be creative but realistic
- Work through numbers to show affect
- Increase the amount you are already being paid
- Charge for what you already do for free
- Work a second job, watch for overextension of time & energy

### 2. Decrease Expenses

- Let the client choose
- Redo numbers to show the affect

### 3. Consolidation Debt

- Consolidation loans are a good idea for people who already can pay their monthly bills and just want to be more efficient with debt repayment
- Consolidating debt can happen by shifting money around on lower interest credit cards, not a long-term solution
- Borrow from a friend or family member
- Do not turn unsecured debt into secured debt

### 4. Negotiate with creditor

- Come from a position of strength. "I want to keep this credit card but I have a better offer can you reduce my interest rate?"
- Be creative and only threaten what is real
- Bank loans and car loans can be rewritten and extended

### 5. Use a credit counselor to negotiate debt

- Debt repayment plans that decrease interest or monthly payment show up on credit reports as a late payment
- Three national debt phone counselors:  
Myvista.org 1-800-680-3328  
Consolidated Credit Counseling Services 1-800-728-3632  
Money Management International 1-800-762-2271

### 6. File Bankruptcy

- This is a last resort, and does not help if there is not enough money to pay basic expenses, certain debt are protected from bankruptcy for example: liens, student loans, child support, back taxes
- Behavior must change or debt will reoccur
- It can be difficult to rent or obtain employment if a security check is required
- Stays on your credit report for up to 10 years
- Can make it difficult to borrow money from a financial institution. Loans that are approved will have a higher rate of interest.

### 7. Do nothing