

DEBT CETERA . . .

Volume 1, Issue 1

March 2006

INTELLIDEBT

McCallan Leads Hurricane Relief Effort

When Hurricane Katrina blew ashore on August 29th, 2005, the Gulf States and government relief agencies were ill-prepared for the onslaught and destruction left in its wake. As concerned citizens joined forces with a patchwork coalition of relief organizations rushing to the scene, Intellidebt's president, Bob McCallan, volunteered for front-line duty.

Bob's first duties involved rolling up his sleeves and wielding a chainsaw in Biloxi, Mississippi, on behalf of Airline Ambassadors, an international relief organization. Meeting the victims and listening to their personal accounts of destruction struck a chord with McCallan, and led to

his current role of coordinating all of Airline Ambassador's efforts in the region.

This included a clinic held at the New Orleans Zoo from February 5th to the 12th. The project provided free medical, dental, and vision care to over 2000 people per day. For some, this was the first medical treatment they had received since Hurricane Katrina.

While the storm has fallen off of the front pages, the rebuilding will take years. To date, the death toll exceeds 1300 and damage estimates top \$75 billion.

As for Airline Ambassadors International, McCallan sings their praises. "They're a great organi-



zation, doing outstanding work around the world. I'm proud to be a part of it all." That's a good thing. With so much still to be done, this could be a long-term relationship.

For more information on Airline Ambassadors, go to AirlineAmbassadors.org

(Editor's Note: The IRS has special provisions for Hurricane victims. For more information, visit www.IRS.gov.)

Identity Theft Tops FTC List of Complaints

According to the Federal Trade Commission's most recent annual report, identity theft once again led the list of complaints to the agency, comprising 37% of all fraud complaints for 2005. The agency received over

686,000 complaints for the year.

Identity theft occurs when your confidential information is taken by others and used without your authorization or sold to criminals. Your information is then used to run up charges or open up new

lines of credit in your name.

If you believe you are a victim of identity theft, you can file a complaint with the FTC at 1-877-ID-THEFT. For more information, go to www.ftc.gov/idtheft.

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Suggested Goals for 2006

- Organize your finances and guard your personal information.
- Develop and use a budget.
- Pay all bills on time.
- Establish an emergency fund by saving a target amount of money during the year.

The Anatomy of a Credit Score

Credit scores determine the price you pay for the money you borrow. Typically, the higher your score, the lower your interest rates. It's a fact: a good credit score can literally save you thousands of dollars over a lifetime. The first step in managing your score is understanding its anatomy.

While credit scoring is a mystery for many, you should know that you

have the greatest control over the factors that matter most. According to Fair Isaac (MyFico.com), the creator of the FICO scores used by the 3 major credit bureaus, your payment history contributes 35% to your credit score. The second greatest factor, at 30%, is the amounts owed.

It's no secret. Paying your bills on time and lowering your overall debt will increase your credit score

over time. So are you ruined financially if you've made a few late payments over the past 7 years? Absolutely not. The score is weighted so that your recent credit history has a greater impact than a late payment made some time ago.

The key is to pay on time going forward. And lowering your unsecured debt significantly reduces overall risk in the eyes of future lenders.



What's In Your Score

- Payment History - 35%
- Amounts Owed - 30%
- Length of Credit History - 15%
- New Credit - 10%
- Types of Credit Used - 10%

Source: MyFico.com

Developing a Spending Plan that Works

Like a new diet and exercise, many attempts at budgeting fall short of our expectations. For many families, the problem stems from not knowing where to start.

Since our finances play such an important role in our overall well-being, the following guidelines will help you in establishing a spending plan that works.

1. Choose someone to

be in charge of the plan.

2. List your income.
3. List your expenses.
4. Reconcile the two. Is your cash flow positive or negative?
5. Monitor and revise.
6. Repeat monthly.

These six steps provide the outline for your indi-

vidualized spending plan. Since getting started is often the hardest part, give one of our credit counselors a call. You'll receive tailored coaching and an assortment of helpful forms to keep you on track.

The principles are simple. The results are life-changing. Why not start a spending plan today?

"When it comes to a spending plan, the principles are simple. The results are life-changing."

IRS Opens Free Tax Preparation Sites

Since 1970 the IRS's Volunteer Income Tax Assistance (VITA) Program has helped millions of individuals fulfill their tax obligations. The program offers free tax assistance for low-to-moderate-income people who cannot prepare their returns on their own.

Beginning each year in

February, and continuing until tax day, volunteer sites operate in communities throughout the country.

Filing proper tax returns helps to avoid refund delays and unnecessary penalties. Volunteers are trained to ensure that taxpayers receive all credits and refunds they are due. For more infor-

mation on how you can receive free assistance, visit the IRS at www.irs.gov.

The Tax Counseling for the Elderly (TCE) Program offers free tax counseling and basic income tax return preparation for senior citizens. For details, call 1-800-829-1040 or call AARP at 1-888-227-7669.



The Debt Management Plan and You

Times of transition are critical. This is especially true during the first 90 days on your new debt management plan. It is during this time that proposals are sent out and account information is verified with each of your creditors. You can ensure that this phase will pass smoothly by staying involved in the process and responding to any communications you receive regarding your debt man-

agement plan. These communications may come directly from your creditors or Intellidebt.

If you were past due on your accounts prior to enrollment, you may continue to receive calls from the creditors until the proposals have been received and accepted. If you receive a call, be sure to inform the caller that you have enrolled in a debt management plan with Intellidebt.

Most importantly, it is essential that you continue to make your regular monthly payments to Intellidebt during the initial transition period and until your debts are paid in full. In this way, you will receive the maximum benefits available through the program.

It's also important to stay in touch. Should you have any questions, contact a Customer Care Counselor at 888-628-3727.



Making Bill Collectors Play by the Rules

The Fair Debt Collection Practices Act was enacted by Congress to protect consumers from abusive and deceptive third-party bill collectors.

If you are struggling with past due debts that you cannot pay, you should know your rights. While the list of prohibitions is extensive, collectors generally cannot contact you before 8 A.M. or after 9

P.M. local time, call on you at your place of employment if you have informed them that your employer prohibits such communications, or use the threat of violence or any obscene or profane language for the purpose of abusing you.

If you suspect that you are or have been the victim of abusive practices by a bill collector, read

the entire Act and file a complaint with the Federal Trade Commission at www.ftc.gov. In some cases, you may even be entitled to damages.

For debts that you can pay, consider a payment arrangement through a structured debt management program.

"If you are struggling with past due debts that you cannot pay, you should know your rights."

Pocket Change by Rory Brannum

Someone once said that the secret to acquiring wealth is to spend less than you make over a long period of time. But that sounds pretty boring. Truth is, in our instant-gratification culture, we want it all now.

The lottery promises me instant riches and the credit card companies

promise me gold and platinum, no-hassle rewards just by filing out the application. And the good news is that I've been "pre-approved" without even trying. The message is clear: I deserve it all today. To wait is the unpardonable sin.

Lost in it all is the tried-and-true discipline of set-

ting aside a little each payday in anticipation of a future reward. It only takes one cent to begin.

I challenge you to want something tomorrow instead of today. Save. Work toward it. And then enjoy.

My hunch is that you will find the practice invigorating.



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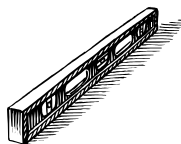
The Intellidebt Mission

To promote a financially sound community through counseling, educating, and helping clients to establish effective debt repayment strategies.



The Counselor's Corner

Email your questions to TheCounselor@intellidebt.org.



lose their value over time. Is that true?

Answer: That depends on the fine print on the card and the laws of your state.

As you review the card's terms, pay special attention to any mention of expiration dates, dormancy fees, or any other fees listed. Over time, these various charges can deplete the value of your gift card, while an expiration date can render it invalid. Currently, there are no federal laws prohibiting these practices.

Question: I was told that the gift cards I received over the holidays

While I usually advise you to save, save, save, gift cards are one example where spending quickly will return the greatest value.

What should you do if you discover that your gift card has lost its value over time? Contact the retailer or restaurant that issued it to request that they reinstate the value. If that doesn't work, consider filing a complaint at the company headquarters. While they don't have to honor your request, issuers are usually very image conscious, and your return business is a bargaining chip.

The National Retail Federation predicted gift card sales in excess of \$18.5 billion for the most

recent holiday season. When buying or using gift cards, it is wise to know the terms up front.

Question: I was recently charged for my credit report. I thought that a new law entitled me to a free credit report each year.

Answer: According to the FACT Act, you can receive one free credit report per year from each of the three credit bureaus. However, the report is free only if you order it through a special website created for that purpose. It is AnnualCreditReport.com. You can also call 1-877-322-8228. If you order your report from any other source, you may be charged.