

## **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": 15% of the savings from negotiations.**  
Example: A \$1000 debt is settled for \$400 = \$600 savings(x15%)= \$90 neg fee  
Total cost to settle account: \$400+\$90= \$490 (Account settled for 49%).

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 !**