



Consumer Credit Counseling Service
of Maryland and Delaware, Inc.

FOR IMMEDIATE RELEASE

January 18, 2010

Contact Information:

NANCY STARK
410.357.0614 (phone)
410.357.0613 (fax)
nstark@mind2medias.com

Helping people help themselves through Education, Financial Counseling and Debt Repayment

PLANNING AND ACTION CAN LEAD TO A FRESH FINANCIAL START IN 2011

(BALTIMORE, MD) The Christmas tree has been shredded. The tinsel has been taken down. Life is returning to normal -- that is until the credit card bills start to arrive. It's easy to overspend during the holidays. But in this unsure economy, now is the time to take financial control, especially if you are already living paycheck-to-paycheck. Don't let feelings of shock and guilt keep you from taking action. With preparation, knowledge, and discipline, 2011 will be the year you become financially fit. Carol Long, a credit counselor with local nonprofit Consumer Credit Counseling Service of MD & DE (CCCS), says "it all begins with a plan."

Long, who has worked as a counselor for five years, started at CCCS after watching members of her own family go through financial difficulties. "It can happen to any of us," she notes. "But it's especially important to deal with money problems now given the uncertain economy. Credit card interest rates are getting higher, and we don't know what will happen tomorrow." She recommends that consumers take a look at their financial situation and come up with a strategy to improve it.

"If you aren't too far behind, it may be as simple as using your tax refund to pay off your credit card debt," Long says. "If you've lost your job, you can apply for help through government programs. Check hrfa.gov to see if you qualify for medical insurance and the Maryland State Job Services site for free career planning advice. Here at CCCS, we can help you assess your financial situation, set up a budget, and explore possible debt repayment options. If you have some income and qualify, we can enroll you in a debt management program to help you pay off your unsecured debts."

CCCS credit counselors provide confidential money management advice at local offices throughout Baltimore area and on the Eastern Shore and by phone. According to Long, counselors begin by helping clients figure out where they stand financially. "A lot of times people who come to us aren't sure about how much they owe, but they're worried. They may be in deep enough debt that they can't pay their mortgage or they may just be having trouble making ends meet. For example, one of my clients had just retired and moved in with her sister. She hadn't missed any payments to her creditors, but she owed about \$40,000 in credit card debt and was only able to make a minimum monthly payment on the balance. The amount she was paying was eating into her living expenses. Meanwhile her interest rates were going up and up. It was clear that she couldn't sustain this situation much longer."

To get a clear financial picture, CCCS counselors help clients compare their sources of income to their current expenses and develop a personal budget. Long says, "This is the point where we take a look at how clients manage their money. With some help, almost anyone can reduce the amount they spend each month. To make their budget work, there are often several areas where they may need to cut back." Premium cable television, Internet, and cell phone plans, eating out at work, and expensive salon visits are just a few of the expenses that may need to be trimmed. On some items, such as car insurance, it just comes down to being better informed. "If a client says that they've had the same

insurance provider for a long time, I might encourage them to shop around and secure a better rate.” Long says.

After reducing expenses and looking for additional means of income, clients who are in serious debt may still find that they have budget problems, because their expenses exceed the amount they can afford to pay out each month. At this point, a debt management plan (DMP) may be the best option. This is a voluntary program where many creditors agree to reduce their interest and fees as long as the client makes a single payment on time and in full to CCCS each month. The agency then distributes this payment to the client’s unsecured creditors. Clients also agree to give up their credit cards and live on cash while they are in the program.

According to Long, clients who stick to their DMPs receive a number of benefits. “For the first time in a long time, they can stop worrying. They actually see progress. The amount they owe is going down, because their monthly payment isn’t just going toward finance charges and interest on their credit cards. If they have a lot of accounts, they also may find it easier, because they only make one payment to us each month.”

Clients who complete CCCS debt management plans walk away debt free. “They leave us in much better financial shape,” Long notes. “And because their interest and fees have been reduced, it’s taken a lot less time than it would have if they’d done it on their own. By acting responsibly, they’ve also taken a step toward improving their credit rating. The client I mentioned earlier worked with us for three and half years and ended up with a FICO score of 806, because she never missed a payment.”

Along the way, CCCS DMP clients also learn valuable financial skills, such as how to live on a budget and how to avoid overspending. Long concludes, “The most rewarding thing for us as counselors is knowing that we’ve made a difference. It’s wonderful when past clients call to say, ‘I’m still living within my means’ or to make a referral by telling other people with money problems about us. That’s when you know you really helped.”

If you’ve resolved to get your finances in shape this year, don’t wait to take action. The sooner you set up a plan, the better chance you’ll have to become financially fit and secure. To learn more about CCCS of MD & DE, visit their web site at www.cccs-inc.org or call 1-800-642-2227 for a credit counseling appointment.

####

Consumer Credit Counseling Service of MD & DE, Inc. (CCCS) is an accredited nonprofit agency that has served the local community since 1966. CCCS is dedicated to helping individuals and families resolve their financial problems. We promote the wise use of credit through education and confidential budget, money management counseling, and housing counseling. MD State License #14-01.