



OPTIONS

FOR DEALING  
WITH DEBT

# GREENPATH SERVICES



FINANCIAL  
ASSESSMENTS



HOUSING  
COUNSELING



CREDIT REPORT  
REVIEW



DEBT  
MANAGEMENT



# FINANCIALLY HEALTHY

# AGENDA

WARNING  
SIGNS

STRATEGIES:  
WITH YOUR  
OWN  
RESOURCES

STRATEGIES:  
WITH  
CREDITORS

STRATEGIES:  
WITH A 3<sup>RD</sup>  
PARTY



# OVEREXTENDED



- UNSURE OF DEBT
- MINIMUM PAYMENTS ONLY
- ACCESSING CASH ADVANCES
- MAXED OUT / OVER THE LIMITS
- COLLECTION CALLS



TOOLS TO HELP YOURSELF OUT GET OF DEBT

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## REWORK BUDGET



Track spending for 30 days, adjust budget as necessary.

## LIQUIDATE ASSETS



Only successful if the money is used to pay down debts.

## REFINANCE



Try to decrease interest rates and/or payments.



# DEBT SNOWBALL

Debt	Balance	Payment	Rate
Medical #1	\$80	\$40	5%
Card #1	\$1,060	\$43	21.9%
Medical #2	\$219	\$20	10%
Auto	\$16,202	\$406	8%
Card #2	\$515	\$48	18.9%
Personal Loan	\$3,741	\$210	12.9%
Family Loan	\$127	\$5	0%
HELOC	\$12,000	\$243	7.9%
<b>TOTALS:</b>	<b>\$33,944</b>	<b>\$1,015</b>	

# DEBT SNOWBALL

Debt	Balance	Payment	Rate
Medical #1	\$80	\$40	5%
Family Loan	\$127	\$5	0%
Medical #2	\$219	\$20	10%
Card #2	\$515	\$48	18.9%
Card #1	\$1,060	\$43	21.9%
Personal Loan	\$3,741	\$210	12.9%
HELOC	\$12,000	\$243	7.9%
AUTO	\$16,202	\$406	8%
<b>TOTALS:</b>	<b>\$33,944</b>	<b>\$1,015</b>	

# DEBT SNOWBALL

Debt	Balance	Payment	Rate
Family Loan	\$117	\$45	0%
Medical #2	\$182.50	\$20	10%
Card #2	\$434.59	\$48	18.9%
Card #1	\$1,012.26	\$43	21.9%
Personal Loan	\$3,399.61	\$210	12.9%
HELOC	\$11,670.92	\$243	7.9%
AUTO	\$15,604.04	\$406	8%
<b>TOTALS:</b>	<b>\$32,420.92</b>	<b>\$1,015</b>	

# DEBT SNOWBALL

Debt	Balance	Payment	Rate
Card #2	\$222.86	\$113	18.9%
Card #1	\$885.07	\$43	21.9%
Personal Loan	\$2,513.49	\$210	12.9%
HELOC	\$10,829.07	\$243	7.9%
AUTO	\$14,073.91	\$406	8%
<b>TOTALS:</b>	<b>\$28,524.40</b>	<b>\$1,015</b>	

# DEBT SNOWBALL

Debt	Balance	Payment	Rate
Personal Loan	\$1,032.48	\$366	12.9%
HELOC	\$9,442.11	\$243	7.9%
AUTO	\$11,844.50	\$406	8%
<b>TOTALS:</b>	<b>\$22,319.09</b>	<b>\$1,015</b>	

# DEBT SNOWBALL

Debt	Balance	Payment	Rate
HELOC	\$8,896.01	\$609	7.9%
AUTO	\$10,856.83	\$406	8%
<b>TOTALS:</b>	<b>\$19,752.84</b>	<b>\$1,015</b>	

# DEBT SNOWBALL

Debt	Balance	Payment	Rate
AUTO	\$5,243.51	\$1,015	8%
<b>TOTALS:</b>	<b>\$5,243.51</b>	<b>\$1,015</b>	

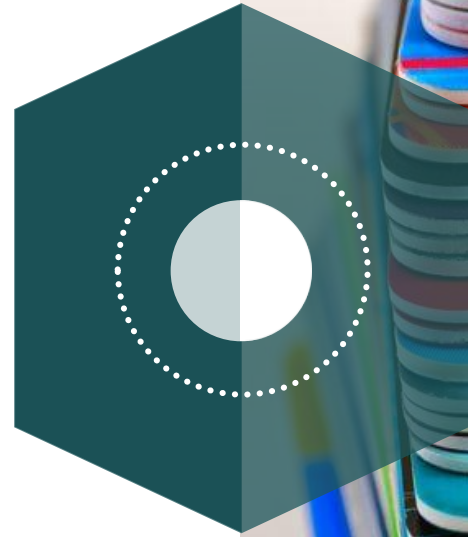
# DEBT SNOWBALL

Debt	Balance	Payment	Rate
TOTALS:	DEBT FREE!	\$1,015	



# DEBT STACKING

Rank debt and repay based on interest rate- pay off highest rate card first.



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A man and a woman are sitting at a desk in a bright, modern office. The woman is on the left, wearing a white tank top, and is talking on a white mobile phone. The man is on the right, wearing a grey t-shirt, and is resting his chin on his hand, looking thoughtful. On the desk in front of them are several papers, a calculator, and a laptop. The background shows a blurred office environment with windows and plants.

1. Make The Call

2. Speak With  
Decision Maker

3. Know Options

4. Propose New  
Payment

5. Make a Paper  
Trail

Communicating  
with a Creditor

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LOAN  
DEFERMENT

LOAN  
FORBEARANCE

LOAN  
EXTENSION

DEBT  
CONSOLIDATION  
LOAN



SETTLE FOR LESS  
THAN OWED

CAN DAMAGE  
CREDIT

BE CAUTIOUS OF  
3<sup>RD</sup> PARTY  
SETTLEMENT

Debt Settlement

**9. No Legal or Tax Advice: The client acknowledges that the Company is not a law firm, and that NO LEGAL OR TAX ADVICE CAN OR WILL BE PROVIDED UNDER THIS AGREEMENT.**

However, if the Client has a Creditor who has commenced legal action prior to the start of the services of XXXX, the Company may, in its discretion, provide limited guidance with respect to the handling of that particular creditor account only, in an effort to determine if the account may be included within the Program. However, neither the Company, nor its agents, affiliates, or attorneys, will be deemed responsible and/or held liable for any; adverse action against the Client instituted by their creditors. Client understands that any debts incurred by Client shall remain the obligation and responsibility of the Client, and not that of the Company. Client acknowledges that the settlement of debts and any savings thereby achieved through the Program may result in tax consequences to the Client. The Client shall be fully responsible for any and all such tax consequences, and may receive tax forms from the IRS in which their compromise and/or reduction of debt was reported. Clients should consult their Tax Advisors for any and all Tax assistance and information.

Client understands that if legal action is taken against them, related to one of their accounts in the XXXXXXXX Program, **that account may be removed from the Program at the Company's discretion.**



**10. Fees and Program Funds:** The Client agrees to pay the Company a fee in the amount of **40.00% of the Amount Saved** by the Company on each enrolled account that is negotiated and settled by the Company (that is, the difference between the account balance at the time of enrollment and the agreed upon Final Settlement Amount). **Fees are considered earned when the Company negotiates a settlement on a given account, the Client agrees to the settlement and the first payment of the settlement is made to the creditor. There are no pre-payment penalties.** It is estimated that if the client graduates the program no additional program funds will be required.

DEBT REPAYMENT  
PLAN ACCEPTED  
BY CREDITORS  
NATIONWIDE

Debt

Debt Management  
Plan (DMP)

## BENEFITS:

1. CONSOLIDATED DEBT
2. STRUCTURE AND SUPPORT
3. SHORTER PAYOFF TIMEFRAME TO PAY DEBT IN FULL
4. MONEY SAVED (INTEREST & FEES)
5. IMPROVED CREDIT

1<sup>ST</sup> YEAR

2<sup>ND</sup> YEAR

3<sup>RD</sup> YEAR

4<sup>TH</sup> YEAR

5<sup>TH</sup> YEAR

# DMP BENEFITS

A person called GreenPath because she was having difficulty managing her credit card debt. She accumulated the debt due to a pay cut. The DMP would help lower some of her monthly payments and reduce her interest rates. She will debt free less than three years from now.

Creditor	Previous Interest Rate	Interest Rate on DMP	Previous Payment	Payment on DMP
Creditor A	13.24%	7.99%	\$120	\$103
Creditor B	27.24%	0%	\$49	\$34
Creditor C	29.99%	5%	\$200	\$98
Creditor D	22.44%	6.99%	\$120	\$117
Creditor E	21.24%	21.24%	\$20	\$20

# SUMMARY

*Total payments toward Unsecured Debts 799.00*

	Currently	On Our Program	Your Benefits
Interest Charges	573.13	234.22	338.91
Late/Overlimit Charges	150.00	30.00	120.00
Service Fee	0.00	50.00	(50.00)
Principle Payment	75.87	484.78	408.91

*On our program, it is estimated you would payoff your unsecured debts 40 months sooner and save 31,960.00*

UNDERSTAND  
WHAT TYPE OF  
LOAN YOU HAVE

REPAYMENT  
PROGRAM  
ELIGIBILITY

GOAL: PAY IT  
OFF FAST,  
LOWER  
PAYMENT, ETC.

Student Loan Options



# BANKRUPTCY

A legal proceeding in which people who cannot pay their bills can get a fresh start.

*Consider consulting with an attorney to advise you how bankruptcy would effect you and your debts.*



## IT MIGHT...

- Stop foreclosure and allow an opportunity to catch up missed payments
- Prevent repossession
- Stop wage garnishment
- Restore or prevent utility termination

## IT MIGHT NOT...

- Eliminate mortgage or other secured loans
- Eliminate child support, alimony, student loans, criminal fines, and some taxes
- Protect co-signers on loans



“Straight Bankruptcy” or  
“Liquidation”

Requires debtors to give up property  
that is then sold to pay creditors

Can keep property that is “exempt”

Most common bankruptcy: 60-70%  
of filings.

## CHAPTER 7 BANKRUPTCY

“Debt Reorganization”

Requires payment of all-or a portion- of debts under supervision of the court.

Repayment lasts 3-5 years

Allows debtor to keep property that might otherwise be lost.

## CHAPTER 13 BANKRUPTCY



STAYS ON  
CREDIT REPORT  
FOR 7-10 YEARS

MAY FACE  
CHALLENGES TO  
OBTAIN CREDIT  
IN THE FUTURE

STAY WITHIN  
YOUR MEANS TO  
REBUILD

Life After Bankruptcy



# FINANCIAL ASSESSMENT



- Discuss Goals
- Make a budget and look for ways to save
- Review credit and discuss impact to credit
- Get an action plan



GREENPATH

FINANCIAL WELLNESS

is a nationwide non-profit that provides financial education and tools for people to lead *financially healthy lives*.