



THE novadebt CONNECTION

A Garden State Consumer Credit Counseling Organization

September 2005

What Our Clients Are Saying...

“Angela Spears was the credit counselor I worked with. She was non-judgmental, courteous and knowledgeable. Asking for help, especially for financial help was difficult. I made several attempts to work with credit card companies but the only assistance they could offer was temporary, there were no long term solutions. Despite the reason for living off of credit, it was still my fault that I was in the position I was in and I could not see a way out. Angela discussed my situation and showed me the way. I know my financial state at this time will not afford the luxuries in life but I can see a light at the end of the tunnel. I have worked in customer service for over 15 years and I am very critical of the service I receive. Angela was flawless.”

AT, New Jersey



Community Impact

Source: Becky Winters, Education Consultant for Novadebt



It is hard to believe, but in a short period of time, the heat of the summer will turn to the fall cool air. This change of season also signals the change of wardrobe needs to meet the cooler weather. As we begin to go through our children’s clothing, along with our own, we often find that some of it has been outgrown over the summer and some of the fall clothing just “does not seem to fit anymore”!! Through the course of our Outreach work, Novadebt comes across many individuals and social service agencies that can make good use of clothing donations throughout the year. So, it only seemed natural to us to organize a clothing drive.

During the month of September, notices of our organized clothing drive, along with an attached bag, will be left curbside throughout a neighborhood development near our Freehold, NJ location. Employees have volunteered the use of their vans and trucks. On September 23, 2005, we will canvass the development and pick up donations made by the community residents, bringing them back to our office for distribution. Novadebt employees are also taking the time to go

through their own closets and storage to make additional donations. All clothing donations will be delivered to Family Resource Associates in Shrewsbury, New Jersey.

Family Resource Associates is a non-profit agency whose mission is to enhance the competency of the family and to strengthen the capabilities of each individual with a disability. Since 1979, FRA has been providing assistance and hope to individuals of all ages and their families. They have an ongoing clothing drive throughout the year that benefits those in need. We could not think of a better way to end our summer then by helping an agency in our own backyard.



Check 21

Source: Amercian Center for Credit Education—ACCE

If you’ve been known to “float” checks—that is writing checks that you anticipate won’t be cashed right away—you need to rethink this practice. In the fall of 2004, a law known as

Check 21, a shorthand for Check Clearing for the 21st Century Act, went into effect. Check 21 was

designed to modernize the way checks are processed. It allows the bank or company to whom you write a check to turn your paper check into an electronic image, speeding this image and the data it contains through the system and clearing your account more quickly than was once possible. Check 21 is advantageous to banks because it saves them billions of dollars in transportation and processing

costs, but it could end up costing you some hefty fees if you don’t have adequate funds in your account to cover the checks you write. The bottom line is that you can no longer write checks hoping that they won’t clear until you get your next paycheck or until you can get home to make a telephone transfer. Never write a check unless you are certain that you have enough money in your account to cover it.

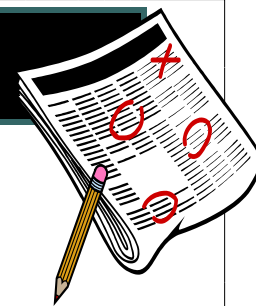


If you have any comments, questions, or suggestions for future news bulletins, please email bulletin@novadebt.com.



Dealing With Losing Your Job

Source: Dan Slocum—Training Manager for Novadebt



Losing your job is a stressful experience and can cause real financial hardship. While there is no easy way to deal with losing your job, there are some things you can do to reduce the financial impact and allow you to concentrate on finding a new position.

The first thing is to realize that, in today's job market, few positions are totally safe. It's up to you to do what you can to reduce your risk of losing your job. This means following your employer's job performance guidelines and attendance policy. Try to learn how to do other jobs in order to make yourself versatile and more valuable. Take a realistic look at your skills and how they benefit your employer. It may be a good time to take some educational or vocational courses to keep your knowledge and skills up to date.

Sit down now and put together a written plan on how you will financially handle a job loss. This is a good time to consider what expenses are critical and which ones aren't. Discuss this with your spouse and family, so everyone can be part of the process.

This is a good opportunity to prioritize your expenses and decide where cuts can be made if something happens. Some areas to look at are cell phone plans, fancy cable television packages and eating out.

Several months ago, I wrote about having an emergency fund. This is a perfect time to decide how much you want to set aside for emergencies and a job loss is certainly an emergency. Perhaps you own some assets that can be sold to raise cash—a boat, a TV, an extra car—and help set up the emergency fund.

If something happens to your job, your first step should be to apply for unemployment benefits at your local department of labor or employment commission office. In most states you must have been employed for a certain period of time before you lost your job and be actively looking for a new job to receive benefits. The amount you can receive also depends on what your earnings were. In most states, you can collect for 6 months. Your local unemployment office can also help you look for another job. There may be state or federal programs available to provide training for a job in a new field. When you apply for unemployment, they will ask about your skills and background to try to set up job referrals for you.

If you had health insurance at your job, you can most likely keep your benefits under COBRA, a federal law to protect health benefits. Usually you will have to pay for the insurance at the same rate your employer paid, but this is almost always less expensive than an individual health insurance policy. Under COBRA, pre-existing conditions are covered, while they are usually not covered under an individual policy. Ask your former employer about COBRA health coverage.

Try to avoid using credit cards or loans for household expenses. These will add another monthly payment to a strained budget and will accrue interest that may take many years to pay.

If you lose your job, please call our Client Care staff at 1-800-772-4557. We may be able to give you additional information that can help.



7 Ways To Avoid Foreclosure Scams

Source: Bankrate.com (National Consumer Law Center)

If you find yourself in a bind, resist the urge to do anything rash. Follow these tips from the National Consumer Law Center.

- Don't panic. Get detailed information about the deadlines you face in resolving your problems. Pay special attention to the date on which you would lose legal right to ownership.
- Never sign a contract under pressure. Take your time, and consult a lawyer if possible.
- Never sign away ownership via a quitclaim deed or other means without consulting a lawyer. Be especially suspicious of offers to lease back your home, in order to buy it back over time. These offers are weighted against you.
- Never make your mortgage payments to anyone other than your lender. If you can't pay, do not ignore warning letters from your lender; contact them instead.
- Beware of any home-sale contract in which you are not formally released from liability for your mortgage. Make sure you know the rights you are giving up and that you agree to give them up.
- Don't sign anything with blank lines or spaces; information could be added later without your knowledge and consent.
- If you do not speak English, never use a "rescuer's" translator. Instead, insist on using your own translator.

