

What Our Clients Are Saying...

"My wife and I were just months away from losing everything — we were swamped with over \$63,000 in credit card debt. Novadebt worked with our creditors to lower our interest rates, got us on a plan we could handle, and now we are just a couple months away from being free of all credit card debt. It's taken 5 years, but it was worth every minute of it. I can honestly say, we could NOT have done this without Novadebt. Thanks guys, you're the best!"

RF, New Jersey



Source: Becky Winters, Education Developer for Novadebt

Community Impact



Each month, we share what activities our Novadebt employees are currently involved in, as they reach out to the concerns and needs of our neighboring communities. While many of our out-reach activities focus on tangible needs, Novadebt also helps to provide financial education to various social service groups and programs, who contact our agency with their needs. As noted in Novadebt's mission statement, *"The primary focus of Novadebt, A Garden State Consumer Credit Counseling Organization, is to provide financial education to the public including free housing and credit counseling to families and individuals in need"*.

To give you an idea of those whom we assist, let us take a brief look at scheduled workshops that will be held during the month of September. Counselors will hold two workshops at One Stop Workforce Unemployment locations in New Brunswick and Perth Amboy. Shared resources with emphasis on managing your finances while unemployed, along with review of the importance of credit reports in their job search process, will be addressed. We will speak to in-house patients of a substance abuse rehab facility, trying to provide guidelines for setting financial goals upon their discharge. Single mothers who are currently receiving temporary housing for a period of nine months will attend financial literacy workshops, to provide tools for them to re-establish financial stability, as they transition back into the workforce and their communities.

Novadebt counselors will speak to community members who utilize the services of a community food bank. Additionally, welfare to work program participants will receive budgeting tools. Other workshop leaders will speak to college freshmen who are receiving financial aid, making them aware of the importance of their financial decisions as they continue their education. And finally, Novadebt counselors will speak with a group of future homebuyers, providing homebuyer education, which includes recognition of the financial obligations and responsibilities that are part of being a homeowner. Our audiences are young and old, beginning school or near retirement, looking for work, or perhaps just trying to become self sufficient. The reason for our assistance is not important, it is the belief that the guidance and tools that Novadebt counselors and workshop leaders provide will be the financial education basis to regain stability and a feeling of self-worth.

Employee Spotlight



Novadebt's employee spotlight for September shines on **Laurie Garaffa!**

Laurie began employment with Novadebt, as a Client Care Specialist, in November 2005. Since that time, Laurie has been a tremendous asset to our clients, as well as her coworkers. Laurie is a model employee in the eyes of her supervisors.

Laurie possesses the knowledge and skills that take years to acquire. She has a very calming demeanor, in what is sometimes a very demanding position. She is dedicated to the quality of her work because her number one priority is our clients. She consistently focuses on helping our clients and resolving all issues as efficiently as possible. She has a strong and positive work ethic and truly loves working with people. Her favorite part of the job is the satisfaction of helping our clients resolve their problems. Any client who speaks with Laurie will have the privilege of speaking with an extremely knowledgeable, caring and professional individual.

Laurie holds an Associate of Science degree in Criminal Justice and is a licensed Real Estate Agent. She was employed as a secretary for Pathmark Stores for 23 years. In her spare time, she enjoys going to the beach and spending time with her husband, Pat and children, Allison, Joe and Emily.

Thank you, Laurie, for being a part of Novadebt's team!

Bi-weekly Payment Plans

Source: American Center for Credit Education—ACCE

Many homeowners have the best of intentions when it comes to paying extra toward their principal mortgage balance. The reality is, however, that too few people have the discipline to do so. That's why mortgage companies offer homeowners biweekly payment plans. These plans automatically withdraw funds twice each month from the homeowner's checking account, resulting in the equivalent of one extra house payment a year.

The savings for those using a biweekly payment plan are significant when you consider that a \$177,000 mortgage at an interest rate of 5.5% results in the homeowner paying close to \$178,000 in interest alone over the course of 30 years. Compare this to \$142,000 in interest for the individual who makes biweekly payments,

plus the extra principal payments shave just over 5 years off the repayment period.

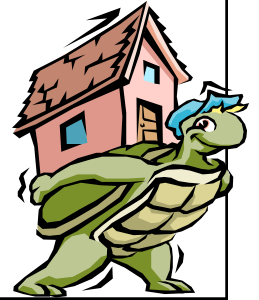
The catch is that mortgage companies typically charge a fee for biweekly payment plans. One company, for example, offers the biweekly plan for a \$375 enrollment fee. Nevertheless, you can still pay off your mortgage early and save yourself thousands of dollars without enrolling in a biweekly payment plan.

Take your monthly mortgage payment and divide that number by twelve. If your payment is \$900 each month, for instance, this would amount to an extra \$75 a month.

If you don't think you'll be able to have

the discipline to send the extra \$75 a month, ask your lender to deduct \$975 from your account. Chances are you'll be that much further ahead if you choose to apply the same \$375 you would have paid toward a prepayment plan toward your mortgage payment.

Prepaying on your own makes good financial sense. Even if you choose not to or cannot make an entire extra payment a year, any little bit you send can amount to serious savings over the life of your loan.



Back-to-School Shopping

Source: American Center for Credit Education—ACCE

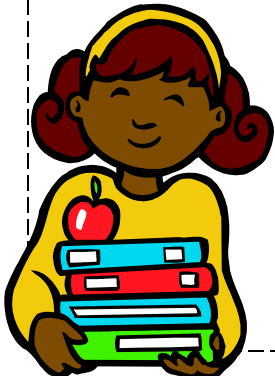
According to the National Retail Federation, American families spend nearly \$500 a year on back-to-school shopping, totaling nearly \$15 billion nationwide. Add to the financial burden, the frustration of having to spend hours scouring local shopping malls for everything from glue sticks to gauchos. To save yourself both time and money when you take the proverbial back-to-school shopping trip, try the strategies that follow.

Make a list and stick to it: Round up the supply list from your child's school or sit down together at home and make one. A list can literally keep you on course, saving you from having to wander endlessly, aisle after aisle, through stores. It can also allow younger children an opportunity to help with the shopping and can be a valuable lesson for all in sticking to the list and a budget. When tempted with an array of colorful backpacks, three-ring binders, themed notebooks, great new gizmos, and all the latest new styles, it can be easy to go astray. A list can help prevent impulse buys.

Take closet inventory: Because clothing is the most expensive aspect of back-to-school shopping, it's essential to make wise decisions about what to buy. Find time to go through each child's closet and decide what no longer fits, what can potentially be passed down to a younger sibling, and what still has wear left for the coming school year. Make a list of necessities and set a budget for each child. If older children want to spend more on a pair of designer jeans or basketball shoes than you have in the budget, you can encourage them to use another source of income, such as their allowance or money earned from a part-time job.

Buy in bulk: Discount warehouses and office supply stores are often good sources for school supplies, especially if you have multiple children. If you can't use the entire box of pens or package of notebook paper, consider co-opting with another parent to split the supplies and their cost. If your school has one, it's a good idea to take advantage of a bulk purchasing program. Where available, such programs can net you wholesale prices on back-to-school supplies.

Purchase pre-owned items: When children outgrow clothes so quickly, it's often easy to find great deals at rummage sales, consignment shops, and on eBay. You can even sell items that you no longer want through one of these outlets, putting the money you earn towards the next year's school shopping. Hosting a clothing/equipment swap with friends and neighbors is another way to get your child just what he or she needs for the coming year.



"The Novadebt Connection" does not assume responsibility for any advice given. It is up to the reader to determine if advice is safe and suitable for their own situation.