

Welcome to the Freedom Debt Relief monthly newsletter! As part of our ongoing goal to enhance our services, we will be sending you a monthly newsletter filled with interesting articles and helpful financial tips and advice. We hope you enjoy this issue, and that you find the enclosed information helpful as you continue on the road to financial freedom.

## Tips to Save on Household Expenses

Most of us may know that the cost of running a household keeps increasing. Daily expenses such as food and utilities may be taking a larger portion of our income each month. Below are some tips on how to save on a few common expenditures.



### FOOD

**Stay at home.** Allrecipes.com, a leading site for recipes, recently completed its Annual Food Trend Forecast. Results indicated that 80 percent of respondents plan to cook at home more in the upcoming year to help manage their food budgets. Also, 61 percent of respondents reported that they dined out much less during the past year. Visit [www.allrecipes.com](http://www.allrecipes.com) for recipes and cooking ideas. This site also includes a

section dedicated to cooking on a budget.

**Spend \$3 per day on food.** According to the U.S. Department of Agriculture, the typical American family spends 15-20% of their household budget on food. Grocery Outlet, a grocery store based in the western part of the U.S., developed the “\$3-a-Day Program,” which helps families save money with a weekly eating plan for \$3 per person per day. Even if you do not have one of these store chains in your local area, you can visit their web site at [www.groceryoutlets.com](http://www.groceryoutlets.com) and download the 8-page brochure: “Feeding Your Family on \$3-A-Day.” This publication includes recipes for inexpensive meals and a weekly shopping list.

### Coupons may help you save money.

According to a recent poll conducted by the Consumer Reports National Research Center, shoppers who use coupons and store-loyalty cards save over 10 percent a year on groceries, the equivalent of \$678 a year. Coupons may help you to reduce your grocery bill, as long you remember to use coupons only for items that you will use. The Consumer Reports survey also indicated that 73 percent of the participants find coupons in the weekly newspaper. Finding coupons online is also becoming a common practice. Visit sites such as [www.smartsources.com](http://www.smartsources.com) and [www.womansday.com/coupons/](http://www.womansday.com/coupons/) to print coupons for grocery store items. You may also consider swapping coupons with friends and neighbors to find the ones that you need.



### ENERGY

**Wash clothes in cold water.** According to the Alliance to Save Energy, clothing washers and dryers may account for more than six percent of your annual energy bill. The Alliance recommends that consumers do full loads of

laundry to avoid wasting water and clean dryer lint after every load to improve air circulation and quicken drying.

**View energy tips online.** Last fall, the Department of Energy launched the web site [www.energysavers.gov](http://www.energysavers.gov) to help consumers be more energy efficient and save on energy costs. This site offers easy energy saving tips, financial assistance links, long-term solutions, and a blog covering energy topics. Visitors to the site can also download an energy saving to-do list and other materials.

**Take advantage of tax credits.** As part of the Emergency Economic Stabilization Act, energy efficiency tax credits will allow homeowners to lower their monthly home energy bills and their federal income taxes in 2009. Taxpayers have the opportunity to use tax credit up to \$500 to make specific energy efficient home improvements to their insulation, exterior windows, furnace, air conditioner units, and much more. Details can be found on the Alliance to Save Energy web site at [www.ase.org/taxcredits](http://www.ase.org/taxcredits).



### MISC.

**Fix it.** According to a recent survey from the PartStore.com, an online retailer that sells replacement parts for household appliances and electronics, 82 percent of consumers are more likely to repair a product rather than replace it in order to save money in this rough economy. Visit

[www.partstore.com](http://www.partstore.com) to see if this site can save you money.

**Senate extends DTV date.** The United States Senate recently approved legislation to shift the nation’s digital television transition from February 17, 2009 to June 12, 2009. This decision was made in order to better educate consumers about the transition and give households an opportunity to utilize the converter-box coupon program. Consumers with expired coupons may apply for new replacement coupons at [www.dtv2009.gov](http://www.dtv2009.gov) or call 1-888-DTV-2009 for more information.

### New web site helps keep consumers secure online.

The new site: [www.JustAskGemalto.com](http://www.JustAskGemalto.com) is a place where people can go for advice on topics such as Internet security, online payments, password management, credit card fraud, and identity theft. As the use of digital technology broadens, consumers have a role in safeguarding their identity more than ever. This site is set up in a user-friendly question and answer format. You can find helpful answers to questions such as “What is the safest way to pay online?” or “What are common ways identity theft occurs?”



# freedom

DEBT RELIEF

## Client Reminders

**Creditor Calls:** If you are getting calls from creditors, please use the script we have designed for you. This will allow us to work more effectively with these creditors. If you have lost your script, let us know and we will be happy to resend it to you.

**Contact Info:** Have you moved recently or changed your phone number? Please contact customer service to ensure we have all of your updated information.

**Tax Debt?** If you owe money to the IRS and would like information on how to reduce your tax debts, please contact our sister company, Freedom Tax Relief at 1-800-455-6TAX. Our tax attorneys and tax specialists are eager to immediately start helping you resolve your tax troubles. In addition, existing FDR clients are eligible for a \$100 referral bonus if they refer someone to Freedom Tax Relief.

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**Customer Service Phone No:**  
**1-800-655-6303**

**FAX No: 650-393-6800**

**Hours of Operation:**  
**Mon-Thurs: 6:00 a.m. – 6:00 p.m. PST**  
**Fri: 6:00 a.m. – 5:00 p.m. PST**  
**Sat: 7:00 a.m. – 11:00 a.m. PST**

**E-mail:**  
**support@freedomdebtrelief.com**



## WE WANT YOUR IDEAS!

What do you want to see in the newsletter? We welcome your input. E-mail your ideas to [info@piff.org](mailto:info@piff.org).



# Latest Tax Changes

**A**s you prepare your taxes, you may discover several new tax law changes that may help maximize your refund. Jackson Hewitt Tax Service reports that more than 100 new tax law changes have been passed this year to help individual consumers. Below are a few of the changes that may benefit you. For further details about your specific situation, contact a tax professional. For more details on these and other tax changes, visit the IRS web site at [www.irs.gov](http://www.irs.gov).

**Recovery Rebate Credit:** Taxpayers that did not qualify for the entire Economic Stimulus Payment in 2008 may be able to receive the remainder of the funds through this tax credit. Individuals that had a child in 2008 after filing a tax return may also be eligible. Taxpayers that do qualify for the Recovery Rebate Credit will not receive a separate check, but the amount will be included in their refund.

**Mortgage Debt Relief Act:** According to the IRS, homeowners that foreclosed on their primary home can exclude the cancelled debt amount from their taxable income. The mortgage had to be the taxpayer's primary residence and not exceed \$2,000,000. The home loan also had to be used to buy, build, or improve the home.

**First-Time Homebuyers Credit:** Taxpayers who purchased a new home for the first time after April 8, 2008, may qualify for a refundable credit up to \$7,500. This credit is part of the American Housing Rescue and Foreclosure Prevention Act. It acts like a refundable tax credit and works like an interest-

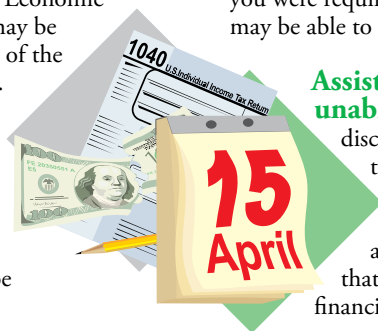
free loan. The credit must be paid back in equal parts over a period of 15 years beginning in 2010. In addition to first-time home buyers, the IRS web site indicates that individuals that have not owned a main home in the past three years may also qualify for this credit.

**Unemployment deductions:** If you lost your job in 2008, ask your tax professional about itemized tax deductions for job search expenses. According to Jackson Hewitt Tax Service, you may be eligible to deduct costs associated with travel, printing resumes, or job placement fees. If you were required to relocate for a new job, you may be able to deduct moving expenses.

**Assistance available for those unable to pay taxes:** If you discover that you will not be able to pay your 2008 taxes, you may have options available. The IRS has compiled a list of questions and answers on their web site that deal with certain scenarios and financial situations. Visit [www.irs.gov/newsroom/article/0,,id=201853,00.html](http://www.irs.gov/newsroom/article/0,,id=201853,00.html)

for more details. Due to the present state of the economy, some taxpayers may qualify for leniency if they owe back taxes. According to the IRS web site, financially distressed taxpayers may be eligible for suspended collection activity if they have a hardship case. For those unable to make a scheduled payment in an existing installment plan, the IRS may allow the individual to skip a payment.

***Disclaimer:** This article is intended to give a basic overview of tax changes that may be available to you. It is not intended to replace the advice of a qualified tax professional. We recommend that you consult an experienced tax expert that may be able to help you with your individual situation.*

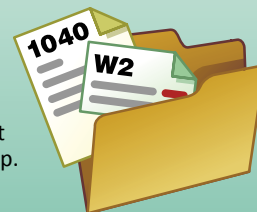


## Tax Resources

**Free File:** Free File Alliance companies will participate in the program run by the IRS and the Free File Alliance, a consortium of tax preparation software companies. This program is available to taxpayers that have an adjusted gross income of \$56,000 or less. Each company sets its own criteria for who can use the service. Visit [www.irs.gov](http://www.irs.gov) and click on the "Free File" link on the left hand side. You can then read the requirements and search for participating companies.

**VITA:** The Volunteer Income Tax Assistance Program (VITA) offers free tax help to individuals with low and moderate incomes (usually \$42,000 and below). VITA sites are usually located at libraries, schools, and shopping malls. Call the IRS at 1-800-TAX-1040, press option #1 followed by option #5. Ask the customer service representative for a VITA site located within your zip code.

**TCE:** The Tax Counseling for the Elderly (TCE) Program provides free tax help to people age 60 or older. For more information, you may also call the IRS at 1-800-TAX-1040, press #1 followed by option #5. AARP also offers the Tax-Aide counseling program for elderly individuals with low incomes. To locate the nearest AARP Tax-Aide site, call 1-888-227-7669 or visit the AARP-TaxAide site at [www.aarp.org/money/taxaide/](http://www.aarp.org/money/taxaide/).



# Spare Change

News, financial tips, and other information regarding personal financial freedom

**\$ Scammers hit consumers with small charges.** The Better Business Bureau has received reports from consumers who have found very small charges on their credit card statements, typically charges of 26 cents or less, from a company identified on the credit card statement as "ADELE SERVICES 800-764-8104 NY." When consumers have tried to dial this number, they receive a message that it is disconnected. Some commentators on this scam have speculated that these small charges are placed to verify that the credit card number is good, and once the small charges go through, larger charges will come next. This apparent fraud scheme involves taking pennies from millions of people, which would then equal a large sum of money. The BBB strongly encourages consumers to immediately report unauthorized transactions, regardless of how small, to their credit card company and assure that the charge is removed. BBB also recommends that consumers file a complaint with Better Business Bureau at [www.bbb.org](http://www.bbb.org) and with the Internet Crime Complaint Center at [www.ic3.gov](http://www.ic3.gov).

**\$ Lower credit lines do not upset most consumers.** Bankrate, Inc. ([www.bankrate.com](http://www.bankrate.com)) recently released the findings of a national poll which found that 40 percent of consumers say they would not be upset if their credit lines disappeared. In fact, of the respondents who have credit cards, nearly one-third (32 percent) say they will probably charge less in 2009. A much smaller group (only 5 percent) responded that they would be devastated with the loss of access to their credit cards.



**A**s you may already know, overcoming debt requires perseverance. At this time, the road to financial freedom may see like an endless journey. When you become overwhelmed with the daily struggles of debt, here are some ideas to keep in mind.

**Don't take the easy route.** On stressful days, you may become negative and ask yourself if it is really worth making all of these sacrifices. At this time, you may be tempted to just forget about your debt and spend your settlement payment on other things. This decision may make you happy for a short time, but in the long run, you will not eliminate your debt. Hard work and persistence will benefit you in the end.

**Take baby steps.** Remember that your debt can not disappear overnight. You may constantly feel overwhelmed and it may seem like you will never rise above your financial situation. But every dollar that you put towards your outstanding debts will bring you one step closer to your ultimate goal... financial freedom.

**Never give up.** Circumstances may be tough at the moment. Collectors constantly call and leave annoying messages. You have to work a second job or volunteer for overtime hours just to make ends meet. A few weeks of this lifestyle can easily make you want to reconsider your commitment to become debt-free. Although you may encounter various stressful situations, try to find the strength to stay strong and never give up.

**Motivate yourself.** Discover ways to keep motivated and do whatever you can to stay focused on achieving financial freedom. Seek support from family and friends. Reward yourself when you accomplish goals or when each account is settled. If it works for you, try reading inspirational books or quotes. The following book entitled, *Letting Go of Debt: Growing Richer One Day at a Time* by Karen Casanova offers daily meditations about dealing with the struggles of debt.



## Credit Corner: Bad Credit Card Habits!

**A**s you strive to settle your debts, most of you have made a commitment to rely on cash instead of credit cards. After you complete your debt negotiation program, you will probably want to re-establish your credit. As you probably know, credit cards can cause serious financial problems if they are not used properly. Periodically, this column will discuss a credit card issue and give you tips on responsible credit card use. This month's topic is **bad credit habits to avoid**.

✓ **Cash advances:** This may seem like a convenient way to access cash, but the fees and interest rates are usually much higher than actual purchases.

✓ **Buy now...pay later:** If you can not afford to pay with cash, try to avoid charging. You will eventually have to pay for it with interest.

✓ **Charging necessities:** Food and gas may seem like small amounts to charge. If you pay your balance in full each month, it may help rebuild your credit. However, if you carry a

revolving balance and use credit as a means to make it through to next payday, small purchases may multiply over time.

✓ **Applying for many credit cards:** When it comes time to rebuild your credit, consider applying for only one or two credit cards. Many inquiries in a short amount of time may lower your credit score.

✓ **Paying only the minimum:** Minimum payments are designed to keep you in debt for a long time. If possible, only charge items that you can afford to pay in full each month. If you want to calculate how long it will take you to pay off your balance if you only pay the minimum, consider using an online minimum payment calculator such as one offered by Bankrate.com, an online financial resource. The calculator is located at [www.bankrate.com/brm/calc/minpayment.asp](http://www.bankrate.com/brm/calc/minpayment.asp).

✓ **Late payments:** You may incur late fees and be subject to an interest rate increase if your credit card payment is delinquent. Keep track of due dates and take advantage of online payment tools.





## Love and Money

**P**aypal conducted a recent survey entitled “Can’t Buy Me Love.” Results indicated that young couples argue over money at least once per month. Below are some tips that may help newlyweds, fiancées, and couples manage their finances.

**Have the “money talk.”** If you have recently gotten engaged or married, you may be uncomfortable talking about money issues. It is not the most important aspect in a relationship, but it is definitely a major factor. Most activities and choices that you make as a couple will

involve money. For example, if you want to go on vacation or buy holiday gifts, you have to have the funds available.

During this conversation, it is best to be brutally honest about all of the financial “skeletons” in your closet. Be truthful about your amount of debt, spending weaknesses, and poor financial decisions. In order to introduce the topic, you may want to take an online quiz entitled, “Test Your Marriage Money Skills.” It is offered by the Women’s Institute for Financial Freedom (WIFE) and you can access it at [www.wife.org/marriagemoneyskillsquiz.htm](http://www.wife.org/marriagemoneyskillsquiz.htm).

**Obtain a copy of your credit report and credit score.** As you and your significant other discuss money issues, you may consider obtaining a copy of your credit report. Getting financed for a mortgage or car loan will usually depend on a couple’s credit score. This may also provide a road map to see which debts are still outstanding and any credit report errors that need to be corrected.

AnnualCreditReport.com provides consumers with the secure means to request and obtain a free credit report once every 12 months from each of the three major credit reporting bureaus in accordance with the Fair and Accurate Credit Transactions Act (FACT Act). Visit [www.annualcreditreport.com](http://www.annualcreditreport.com) for more details.



Your free credit report obtained via this site only contains your credit disclosure, not your FICO score. For more information on how to purchase your credit score, visit [www.myfico.com](http://www.myfico.com).

**Organize checking accounts.** Many couples grapple with the idea of whether to have a joint checking account or keep individual accounts. We can not give you a definite answer to this question because it depends on your situation and personal preferences. The Paypal survey indicates that about half of American couples have joint checking accounts. You may consider having a joint account in which both of you can deposit money to pay for household expenses such as rent and utilities and each keep a separate account for miscellaneous costs like gas and lunch money. Balancing all of these accounts may require a lot of organizational skills. If you both agree on having just one joint account, keep the lines of communication open so both of you know when someone else is writing a check or using a debit card.

### Money does not equal love.

Some couples enjoy showering each other with expensive gifts. This can become a problem if gifts are bought with credit or if basic household expenses are not met. For birthdays and other special occasions, consider making homemade gifts such as poems or framing special photographs.

The Freedom Debt Relief newsletter is published by The Premier Institute for Financial Freedom. While articles in this newsletter are factual and accurate, they are not intended to replace the advice of professional financial, accounting, and/or legal advisers. As with all decisions regarding your finances, the advice, techniques, ideas and suggestions offered herein should be followed under the supervision of the appropriate competent professional.



1875 South Grant Street  
Suite 400  
San Mateo, CA 94402  
Phone: (800) 655-6303  
FAX: (650) 897-8800