

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.

Saving money on

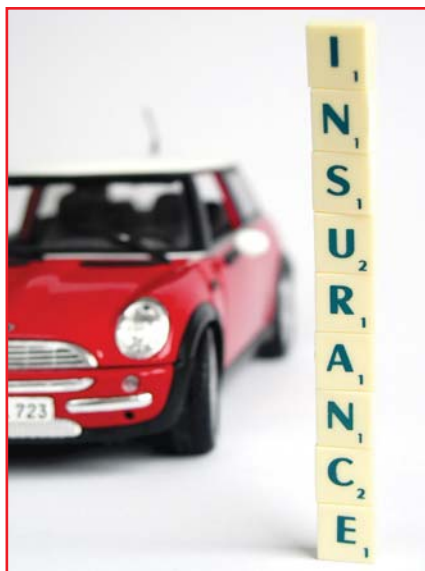


auto insurance

Car insurance is one of the most common bills that most households are required to pay. According to InsuranceUSA.com, an online insurance marketplace, car insurance is the most widely purchased type of insurance coverage because automobile drivers are required to have car insurance almost everywhere. Below are some tips that may help you save on this expense.

Consider raising your deductible. A deductible is the amount of money that you have to pay out-of-pocket before the insurance company pays the claim. According to the web site of the Insurance Information Institute (www.iii.org), increasing your deductible from \$200 to \$500 could reduce your collision and comprehensive by 15-30%. Opting for a \$1,000 deductible can save you approximately 40%. If you choose to do this, you should have the deductible on hand if you have a claim. InsuranceUSA.com defines comprehensive as insurance that “covers damages that are caused to your vehicle through vandalism, natural cause, hit and run, or hitting an animal.” Collision insurance “pertains to the coverage you receive for accidents, where you actually collide with or hit a vehicle while you are driving.”

Know the value of your vehicle. Some drivers choose to drop collision and/or comprehensive insurance once a car depreciates to a certain value. InsuranceUSA.com recommends dropping collision; also known as



liability-only insurance, when the market value of the vehicle is below \$2,000. In the event of an accident, your insurance company will only pay what the cash value of the vehicle is at that time. If your car is worth less than your deductible and your collision premium, you could be paying more for insurance than necessary. Realize that having liability-only coverage also means that the insurance company only pays for the damages of the other parties involved if you are at fault. Damages for your car will not be covered.

To help you make a decision, visit Kelley Blue Book's web site at www.kbb.com to check the market value of your vehicle. Also, consult your insurance company before dropping any coverage so you are complying with the laws in your state.

Drive safely. Numerous at-fault claims and traffic violations may increase your insurance rates. You may help avoid the likelihood of an accident by driving defensively and obeying traffic laws. Stay safe by adhering to road signs, driving the speed limit, and resisting the urge to talk on a cell phone while driving. Many insurance companies offer discounts if a policyholder has maintained a clean driving record for a specific amount of time.

Take advantage of all discounts. You may qualify for car insurance discounts for a variety of reasons. Mention to your insurance company if your vehicle has features such as air bags, anti-lock brakes, and anti-theft devices. Keep track of how often you use your vehicle. If your mileage is lower than average, you may receive a discount. Younger drivers usually cost more to insure. Discounts

may be available for student drivers with good grades or college students in the household that live on campus for most of the year. Your insurance company may also offer you a multi-policy discount if you purchase both auto and homeowners coverage.



WHAT TO DO IN AN ACCIDENT:

Here are some tips provided by Erie Insurance Group (www.erieinsurance.com) to help you remain calm and gather the necessary information in the event of a car accident. A detailed and accurate report can help you expedite your claim for repair costs.

- The first priority is to make sure your vehicle is safely off the road and check to see if any parties are injured. If so, contact emergency personnel immediately.
- Always call the police even if there is minor vehicle damage. A police report can help speed up the claims process.
- Although car accidents are stressful situations, remain calm and do not discuss who is at fault. You will have an opportunity to talk to your insurance agent about the details. Exchange information with the other driver(s), which would include names, phone numbers, addresses, license plate numbers, and the make and model of each car.
- You may also want to record information such as date, time, location, and weather conditions. Most cell phones come equipped with a camera, so consider taking picture at the scene. In case of an accident, Erie recommends keeping a disposable camera along with a notepad in your glove box.



Client Reminders

Client Web Site Update

FDR recently upgraded our back office systems in order to be able to respond more quickly to client requests. You may have noticed that our client web site was down for several days during this transition. It is now back up, and if you haven't done so already, you will need to create a new username and password in order to be able to view your account information online. Go to www.freedomdebtrelief.com and click on the tab "Current Clients." Then, near the bottom of the page under the heading "Existing Client Login for Account Information" click on the button, "Click Here." Enter your e-mail address, and then follow the instructions to create a password and validate your information. You will now be able to view this information online!

American Consumers Union

We have recently partnered with the consumer advocacy group, American Consumers Union, in order to provide additional support to our clients with respect to creditor harassment. All FDR clients are automatically given membership into the American Consumers Union, and are given the full use and support of the advocacy group, at no additional charge. This is a terrific benefit for our clients, and we are happy to be able to provide this service to our clients at our expense. You can visit them online at www.myacu.org.

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

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



Credit Corner: Reading the Fine Print

As 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 **the importance of the fine print in credit card agreements**.

When applying for a credit card, most people disregard the small type that details the provisions of the agreement. Many applicants will simply sign their name, stating that they agree to the terms. Although this fine print may be long and tedious to read, we suggest that you review a credit card agreement in its entirety. This task may prevent future problems or you may decide that this is not the right credit card for you. Below are some key points that you may want to focus on as you read the fine print.

Don't be fooled by low teaser rates and extremely high credit limits.

When you receive a credit card solicitation in the mail, the envelope may read that you are pre-approved for a low interest rate of 2.9% and a credit limit up to \$25,000. This impressive offer may persuade some people to immediately complete and sign the application without reading the small print.

First of all, consider most verbiage on envelopes of credit card offers to be advertisements intended to entice you to open the mail and apply. If you look closely, you may find that there are several asterisks printed by these grandiose statements. The fine print may state that you may not be "pre-approved" and that your credit limit and interest rate will be based on your credit history.

Don't make the credit card companies richer by incurring fees.

Consumer Action, a non-profit consumer advocate group, reports that credit card fees cost cardholders approximately \$13 billion every year. Avoid late fees by reading the fine print to find out the grace period and due date for your payment. Some companies state that a bill is also due by a certain time on the due date. For example, if your bill is due by noon, you could incur a late fee if the credit card company receives your payment at the end of the day.

We do not recommend that you keep a high

balance on your credit card because of the negative effects of debt and you also run the risk of obtaining an over-the-limit fee. A late payment could also allow a credit card company to impose a late fee in addition to an over-the-limit fee.

Reading the fine print may also alert consumers to the fact that credit card companies may charge a no-balance fee if you pay off your balance in full or apply an inactivity charge if your account has been inactive for a certain period of time.

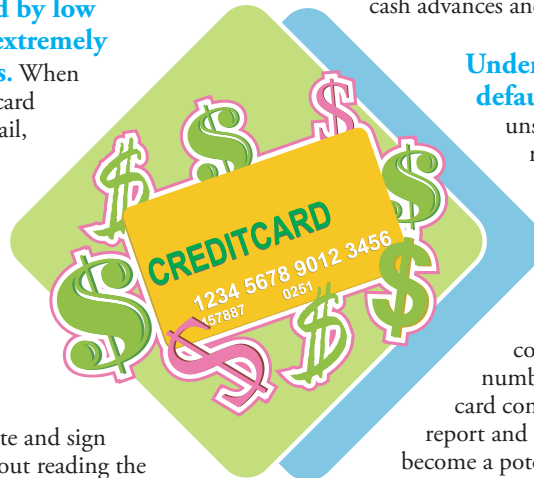
Credit card companies also charge fees for cash advances and balance transfers.

Understand universal default.

All of a sudden, an unsuspecting cardholder may receive their monthly credit card statement and be shocked to discover that their interest rate increased dramatically. This action, known as universal default, could have occurred for a number of reasons. If a credit card company reviews your credit report and senses that you may become a potential credit risk, they have a right to drastically raise your interest rate.

You may have been late or missed a payment with this particular creditor or a totally different credit card company. Let's suppose that you are current with this credit card account, but the card issuer raises your rate because your credit report shows that you have taken on too much debt or have had many recent inquires.

Much controversy has surrounded the issue of universal default. Many consumer advocates want banks to ban this practice. In 2007, Citibank was the first credit card company that put an end to universal default. Also, legislators have outlawed this practice in the state of New York last summer. As you can see, progress is being made and perhaps universal default will not exist in the future. However, a survey conducted by Consumer Action indicates that nearly half of U.S. banks use universal default, enabling them to legally raise credit cardholders' interest rates as high as 40%. Reading the fine print in your credit card agreement will indicate whether your credit card company enforces universal default.





Inspiring Thoughts

Often people attempt to live their lives backwards; they try to have more things, or more money, in order to do more of what they want, so they will be happier.

~Margaret Young

Many people think that if they had more money they would be happier. You may have thought that if you won the lottery or received a significant pay increase that you would be more content.

More money may allow you to live a more comfortable lifestyle, but it may not necessarily buy happiness. You may have heard stories on the news about people who won millions in the lottery and were broke within a year. Some television programs also feature biographies about famous people who squander their entire fortune.

These examples may seem extreme, but the same concept may apply when people receive a raise from their employer. Many individuals increase their standard of living instead of paying down debt or creating an emergency fund. Once we acquired the amount of money that we thought would make us happier, it does not seem to be enough and we want more. At one time, we may have thought that if we buy a nicer car or charged that new state-of-the-art television that we would be content. After the novelty wore off, we may regret the extravagant purchase and feel anything but happy.

Why is this? According to an article by Laura Rowley, author of the book *Money & Happiness* (2005), "Scientists have found that while a certain amount of money does indeed make us happy, once basic needs are met, happiness doesn't continue to rise in direct proportion to income." Also, *Forbes Magazine* indicates that lottery winners return to their previous level of happiness after five years.

As you strive to settle your debts, you may yearn for more money so you can move past this situation. We are not suggesting that your debt was incurred due to extravagant purchases. If you encountered debt as a result of extenuating circumstances, additional income would certainly come in handy to pay those unexpected bills.

However, spending a lot of time wishing we had something else may delay our goal of financial freedom. If we dwell on the fact that we are in debt, this can create unhappiness. We can not change the past and we have to realize that there are very few lottery winners. As hard as it may be, making the most of our current situation may make us less stressed and give us hope for the future.



Save Money on Home Improvements

If you are a homeowner, you probably realize that your dwelling requires frequent upkeep and various repairs. As you strive to settle your debts, spending money on costly home improvements may not be an option. Yet, there may be some ways that you can save money and still perform necessary upgrades to your home.

Learn to do-it-yourself. Although you may have to hire a professional for some complicated projects, you may be able to tackle some tasks yourself. A wealth of informational resources exist to teach you how to do home improvement jobs such as cleaning your gutters, painting, and installing a ceiling fan. Visit your local bookstore or library to find a comprehensive guide on do-it-yourself home improvements.

The Internet and television are also great sources. DIY Network brings you such cable shows as "DIY to the Rescue" and "DIY Be Your Own Contractor." You can also visit their information-packed web site located at www.diy.net. This site features a wide array of do-it-yourself projects, with topics that range from home improvements to decorating.

Home Depot also offers free Do-It-Yourself Workshops, Weekly Clinics, and Kids Workshops. Visit www.homedepot.com to register at a Home Depot near you.

Obtain several bids. If you do need to hire a professional, obtain bids from various companies and contractors. When you compare prices, you may find that costs can vary greatly among companies. Before you make a decision based on cost, ask for references on the person or business that you plan to hire. Also, verify that they have insurance coverage. These precautions may prevent you from becoming a victim of a home improvement scam.

Choose energy-efficient construction elements. When possible, invest in energy-efficient products for your home. Some of these items will be more costly than their counterparts, but you may save approximately one third

on your energy bills, according to Energy Star, a government backed agency that offers consumers energy-efficient solutions. Look for energy-

efficient products when selecting heating and cooling systems, windows, insulation, and wall and roof assemblies. Visit Energy Star's web site at www.energystar.com for more information.

You may also contact your utility company to see if you qualify for the Weatherization Assistance Program. Sponsored by the U.S. Department of Energy (DOE), this program helps low-income families reduce their energy bills by making their home more energy efficient.

Get Involved. Habitat for Humanity builds new homes and renovates old homes for low-income families. This organization is always looking for volunteers to help with their building projects. Each work site is supervised by a professional that trains and assists the volunteers. You may consider volunteering for your local Habitat for Humanity branch. In addition to helping your community, you may also learn new skills that may help you with your own home. Visit their web site located at www.habitat.org for more information and to search for a local division in your area.



Many homeowners have the desire to beautify their surroundings. At this point in your debt settlement program, you may not be able



finance every project on your list. Keep in mind that you do not have to complete every home improvement job at once. Choose the necessary things first and finish each task as your budget allows. Good luck on your home improvement endeavors and enjoy the end results.



SPARE CHANGE

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

You do not have to register your cell phone number.

According to the Federal Trade Commission (FTC), consumers should not be concerned that their cell phone numbers will be released to telemarketers in the near future despite the recent claims made in e-mails circulating on the Internet. It is also not necessary to register cell phone numbers on the National Do Not Call (DNC) Registry to be protected from most telemarketing calls to cell phones. Federal Communications Commission (FCC) regulations prohibit telemarketers from

using automated dialers to call cell phone numbers. Automated dialers are standard in the industry, so most telemarketers are barred from calling consumers on their cell phones without their consent.

Consumers feel that the economic stimulus package is a temporary solution.

An Experian Consumer Direct poll shows that more than half of Americans feel the federal economic stimulus package is a short-term solution for the troubled economy, while 32% feel the package will cause more Americans to reinvest in the economy. When asked how consumers plan to use their rebate check from the federal economic stimulus package, 19% said they would pay off a debt, 16% said they would pay utility bills, and 10% said they would apply the proceeds toward home repairs.

New research confirms identity fraud is declining.

The 2008 Identity Fraud Survey Report, released by Javelin Strategy & Research (www.javelinstrategy.com), confirms that identity fraud is declining in most parts of the United States, and that thieves are turning to unexpected channels to commit fraud. This year's report reinforces a three-year trend that criminals mostly obtain the majority of information from stolen personal belongings, and through telephone calls, rather than online. Access through mail and telephone transactions

grew from 3% in 2006 to 40% in 2007. Here are some other interesting findings in the report:

- California and Illinois are among five states whose residents are most at risk for identity fraud.
- Young adults who fall victim to fraud are most likely to purchase ID fraud insurance and sign up for fraud alerts. Older adults who fall victim often react by no longer sending bill payments and checks through unsecured mailboxes.
- Over the past three years, overall fraud declined, while the cost per consumer rose. This cost is defined by the total out-of-pocket expense consumers incur when falling victim to ID fraud. The cost per consumer in 2007 averaged \$691, an increase of 25%, over the \$554 recorded in 2006.

Haggling may help you save money.

A national study by Consumer Reports reveals that haggling over the cost of goods and services is not only alive and well, but can be successful in many cases. More than 90% of shoppers who tried to negotiate a better deal on goods and services including furniture, electronics and appliances, floor and demonstration models, and medical bills got one, according to a new survey conducted by the Consumer Reports National Research Center.

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.



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