

# The Consumer's Guide To Getting Out Of Debt Without Having To File Bankruptcy Or Debt Consolidation

**The Real Debt Solution, Inc.**

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Dear consumer,

You are not alone many individuals and families are drowning in debt. We get stories everyday from people just like you sharing their experiences dealing with their debt...these stories have not been edited...

*I currently have about a half million dollars worth of debt. My debt accumulated by working to provide a comfortable life style for my family. My bills include, mortgage, college expenses for my wife, a car note and credit cards used to pay for living expenses. We have generally remained current on our monthly payments but never seem to be making significant head-way in changing our financial status as our actual balances don't seem to be changing. I passionately want to be debt free!*

*I am a single mom and I have struggled with debt throughout my entire life. I was never taught the importance of having and keeping good credit or the importance of paying bills on time. I have been evicted several times, had my cars taken back by the lenders, I have dealt with utility shut offs, bouts of unemployment to say the least.*

*hello Steven I am listening to you now on 1290, I was employed for 8 years by FedEx until I lost my job 4 yrs ago, I've went through all my savings and 401k, my mortgage payment is now more than 18 months behind and I have a foreclosure pending in less than 6 weeks, no unemployment insurance and I'm about \$4,000 in other bills I'm looking for work and hopefully will have a job in the next 2 weeks I need help.*

*We have over \$50,000 in unsecured debt. Mixture of stupidity and putting a large chunk of our mortgage on a personal loan to pay it off. We are current on the payments, but the recent interest rate hikes are aggravating. We're tired of having no extra money and are looking for some relief on these bills.*

*I am a divorced mother with 1 son. Child support checks stopped once my son got out of high school. My income went from \$2600 per month down to \$1600 per month. I have gotten so far behind in utility bills, medical bills, etc. I really need help.*

*I have about \$370,000 dollars of debt. I have a \$200,000 dollar mortgage, \$150,000 student loan, \$15,000 car note. I am a single mother of 2 one in college and the other in a parochial school. I don't have cc debt but other small debt. I would like to retire by the time I am 55-58 years old and I would like to keep my home.*

*I put together this consumer guide because there are so many companies making claims that can end up making your situation worse. The advertisements all sound good but who can you trust?*

*Read this guide and you'll discover:*

- Bankruptcy
- Debt Consolidation
- 3 Big Reason's You Should Avoid Bankruptcy & Debt Consolidation
- How to avoid the 6 biggest rip-offs when it comes to getting out of debt
- 9 costly misconceptions about dealing with your debt problem
- 8 mistakes to avoid when choosing a debt relief service
- The importance of value and price when choosing a debt relief service
- Why you want to do something about your debt now
- 100% No-Risk Guarantee

## What is bankruptcy?

*There are 3 forms of bankruptcy:*

1. **Chapter 7 Bankruptcy** is a total liquidation of all assets. Certain property depending on state and federal law you will be able to keep such as your home, car, furniture, clothes, etc. Usually all of your unsecured debts are totally erased.

As for your Secured Debt(s) such as an auto loan you will have a choice of allowing them to repossess the vehicle or continue paying payments on it. You can also make settlement offers to pay off the loan(s) but they must be accepted by the court and the creditor(s).

Not everyone is Eligible for Chapter 7. If your income is sufficient to fund a Chapter 13 repayment plan the courts may reject your Chapter 7. Basically it comes down to if you have an income that can make minimum payments to your creditors you will not be able to file a Chapter 7.

2. **Chapter 13 Bankruptcy** (also known as “wage earner” bankruptcy) is when you have a reliable source of income to repay some portion of your debt(s). You can propose a repayment plan to the courts usually a 3 to 5 year repayment plan and the courts must approve the plan.

There is a limitation to how much debt you have to qualify. Currently your secured debts must not be over \$1,010,650 and your unsecured debt must not be over \$336,900.

If you have missed payments Chapter 13 gives you the opportunity to make up the missed payments and stop repossession or foreclosure.

3. **UPDATE:** Due to the current economic climate several states have instituted a new type of debt relief program to help consumers. You’ll have to check your state to see all the available options.

In my state of Wisconsin they have instituted a Chapter 128 debt repayment program. This is actually not filing bankruptcy but it gives the instant relief of bankruptcy. The types of debt that can be handled the Chapter 128 are:

- Overdue utility bills
- Accounts in collections
- PayDay Loans

- Credit Cards
- Medical Bills
- Personal Loans
- Wisconsin State Taxes
- Child Support Arrears
- Vehicle Loan Deficiencies
- Civil Judgments
- Tickets and Fines

This must be approved by the courts and there are some rules of income that the courts will be looking for to see if you qualify. If you don't live in the state of Wisconsin you'll need to check with a local attorney or your clerk of courts to see additional debt relief options that are available in your area.

4. **Chapter 11 Bankruptcy** is typically used for financially struggling businesses to reorganize their financial affairs. Individuals can also qualify for a Chapter 11 if their expenses exceed the Chapter 13 limits. Again the courts and creditors must agree.

## **What is Debt Consolidation?**

Debt Consolidation is an option to repay your creditors with a lower monthly payment. These mostly consist of unsecured debts such as credit cards, department store cards, etc. Depending on your income a plan to pay off those debt(s) are arranged and usually it's over a 3 to 5 year period.

Debt Consolidation can reduce or eliminate interest charges and can stop delinquent creditors from harassing you at your home or work.

## **4 Big Reasons to Avoid Filing Bankruptcy and Debt Consolidation**

1. Employers are not looking at your credit report to find out how you are handling your finances. If you can't handle your own money properly why should they trust you to handle their money properly? From my personal experience employers understand that anyone can go through a

financial hardship but when they see a bankruptcy or debt consolidation they feel as though the person took the easy way out.

2. Life insurance companies are starting to either not insure or raise the rates of individuals that file for bankruptcy or debt consolidation because they feel that they are a higher risk.
3. Health insurance companies are starting to deny or raise the rates of individuals that file for bankruptcy or debt consolidation because they have seen the data that the stress of financial trouble can lead to health issues such as depression, anxiety, heart trouble, high blood pressure, stroke and many other health related issues.
4. According to the FTC (Federal Trade Commission) 99% of the individuals that file for bankruptcy or debt consolidation end up in trouble again within 1 to 2 years.

## **Debt Elimination Program**

This is where you sit down with a Debt Counselor or Coach and figure out a written plan to get out of debt. Even if you file bankruptcy or debt consolidate you should put a debt elimination plan in place to make sure you don't find yourself in the same situation again. I'll go in to more detail later in this consumer guide about why a Debt Elimination Program is the best option.

## **How to Avoid The 6 BIGGEST RIP-OFFS When It Comes to Getting Out Of Debt**

1. **Mortgage Modification as a major option.** From my research these companies are mostly ran by the same people that wrote the bad loans to families. They promise to help families modify their mortgage enabling them to stay in their home, but all too often they find out it was a huge lie! In a recent ABC Evening News report they stated that only about 300,000 mortgages have been modified and that there were millions that have either been declined or stalled in the process. But what was even more alarming was the interview with a mortgage company insider that stated that mortgage companies actually lying to

people when they applied for a modification and they were actually moving their paperwork to the foreclosure department. Also according to the FTC this is the number one ranked scam in the market today.

2. **Debt Negotiation as a major option.** So called debt negotiation companies have been popping making ridiculous claims that they can negotiate your credit card debt by 50%. According to the FTC this is the number two ranked scam in the market today.

There have been numerous national news reports showing that these companies have actually made it worse for the families that signed up for their program and that they only settle or negotiate about .01% of their clients.

About 95% of their clients don't even make it through the program and they end up getting sued by their creditors making thing worse.

3. **Go into more debt to get out of debt.** Incredibly there are financial counselors telling their clients to get 0% interest credit cards and shift the balances. Get a loan and pay off some debts. And the worse one is the home equity line of credit to pay your house off faster. All of these have been nightmares for people that fall for these scams. Usually the person that referred them is getting a commission of some sort from the company they refer them to.

4. **Not understanding what you really owe.** If you don't know exactly what you owe it's going to be almost impossible to get out of debt. You're not alone, most people don't want to know what they owe they just try to fix the problem a little bit at a time. But that is a huge mistake and it could cost thousands in unnecessary interest payments and added years making payments.

5. **Making an emotional decision instead of an educated decision.** The stress from your debt can make you very emotional. The debt collectors calling your home and work. The bills piling up and you're basically living paycheck to paycheck. When you are in that state of mind you'll most likely fall for the quick fix scams that are advertised on radio and TV.

- 6. Listening to friends and family when trying to get out of debt.**  
Family and friends are well meaning but they are not in the business of providing financial coaching advice. Most of the time they are worse off or hiding their financial crisis.

## **The 9 Costly Misconceptions When Dealing With Your Debt Problem**

- 1. You can file bankruptcy to get out of debt.** Due to the new legislation enacted creditors have convinced law makers to make it harder to file bankruptcy. So you should always consider working with someone to help you set up a complete debt elimination program.
- 2. You can file for debt consolidation.** This is a scam and will take longer for you to get out of debt if you can finish the program. Remember 99% of the people that sign up for debt consolidation never finish and they end up in a worse situation. Also many of these debt consolidation claim to be non-for-profit but they are paid by the creditors to collect your hard-earned money.
- 3. Hoping for a debt negotiation offer or settlement.** Debt negotiation and settlements are great options when dealing with your debt but you shouldn't hang your hopes on a decision that you have no control over.
- 4. Hoping for a mortgage modification.** Mortgage modification is an avenue that you should investigate but never pay another company to do it for you and you should still continue with putting together a complete debt elimination plan.
- 5. Not answer debt collector calls.** The debt collectors might be calling you at home, work and even calling your neighbors. You should never hide from your creditors you should keep the lines of communication open but never allow them to fish you for information such as bank accounts, open credit card and access to credit you might have.
- 6. Not responding to a letter for payment from a debt collector.**  
Whenever a debt collector send a letter to verify if you owe a debt that

- they have purchased you should respond regardless if you owe or not. If done properly the process can stop right there even if you owe the debt.
7. **Not showing up in court when debt collectors start the lawsuit process.** This is the breeding grounds for debt collectors permission to harass you for life or until you pay them the money. You should always show up because it's your right to defend yourself in a court of law. The debt collectors are hoping that you don't show up so they can get an instant default judgment against you. If you understand what your rights are you could also end the process in court even if you owe the money.
  8. **Believing debt collectors can automatically garnish your wages.** This is not true they must first get a judgment and then come back to court to get a garnishment order. These can all be avoided if you know your rights and you don't need a lawyer to have things work in your favor.
  9. **Doing NOTHING at all.** This can be the most costly misconception because if you think that all of this will just go away or that you can just avoid dealing with the debt collectors you're wrong.

### **3 Mistakes to Avoid When Choosing a Debt Relief Service**

1. Believing that only an attorney can help you with your financial problems. Even when it comes to bankruptcy you can file documents yourself if it comes to a situation where you know you are bankrupt.
2. Believing that a non-profit debt consolidation company means they are non-for-profit and that they only care about getting you out of debt. Debt consolidation companies mainly do this to get away from certain regulations.
3. Allowing your debt relief service to not provide you with a full service package which includes education on budgeting, paying your bill, saving, investing, personal and financial goals, personal support and after-care program.

## **The Importance of Value and Price When Choosing a Debt Relief Product or Service**

Price is what you pay. Value is what you get for your money. The Real Debt Solution, Inc. is one of the most dedicated debt relief services in the United States that doesn't focus on having our clients file bankruptcy or debt consolidation.

In order for you to have the best odds of success you need to have all areas of your financial and personal life adjusted. It's not about running from your debt or just trying to get out of paying your debts.

### ***With The Real Debt Solution Program you'll learn:***

- Personal and Financial Coaching on Setting Goals
- How to put together a budget
- Why most people fail to put together a budget
- How to come up with cash without getting a loan
- Common budgeting pit falls to watch out for
- Easy way to find out where your extra money is going
- How to pay your bills
- Why you are in debt
- Mindset shift for new productive habits
- What to do when debt collectors call
- How to respond to debt collection letters
- How to stop debt collectors from calling your home, work or neighbors
- How to deal with debt collectors in court without the expense of a lawyer
- How to gather all your data for quick processing
- How to establish an emergency fund of cash
- A system to eliminate your debt the fastest possible way
- How to fight back against credit card debt
- How to settle your debt(s) for pennies on the dollar
- How to modify your mortgage without paying a lawyer or legal fees
- How to modify your automobile loan without paying a lawyer or legal fees

- We put together a debt elimination plan to help you get out of debt fast
- We'll show you exactly how much time and money you'll save using The Real Debt Solution Program
- We'll show you how to start saving for retirement without investing in the stock market
- Your financial house will be in order and you'll feel a lot better about your future on a personal and financial level

## **Why You Want To Do Something About Your Debt Right Now**

The sooner you face up to your debt the sooner you'll get out of debt and start living a more stress free life. Don't waste your time depressed about your situation. Don't allow debt collector's to ruin your life by calling your home, job or neighbors trying to embarrass you into paying.

Don't risk the possibility of having to move your family to a new neighborhood. Stability is very important for children when growing up. Don't risk your relationship with your spouse or significant other. Debt is the number one reason for divorce. Many families would still be together if they would have taken care of their debt problems instead letting it get worse.

### **100% No-Risk Money Back Guarantee**

When you become a client of The Real Debt Solution, Inc. you become a family member. You expect the best and our job is to do our best. If for any reason you feel that your Debt Solution Team Member isn't doing what you were promise you can get a 100% Refund of your program cost.

## ***Real Life Results for Our Clients:***

*Total debt \$39,410.14, will be debt free in 2 years 10 months, interest saved \$10,059.56, time saved using our program 19 years 6 months. Money in the bank for retirement \$293,288. Elrick, California*

*Total debt \$287,827, will be debt free in 6 years 10 months, interest saved \$190,152.21, time saved 42 years 10 months. Money in the bank for retirement \$1,244,875.00. Jalal had over 24 credit cards with various balances. Jalal, Wisconsin*

*Total debt \$284,776, will be debt free in 8 years 10 months, interest saved \$38,479.17, time saved 35 years 2 months. Money in the bank for retirement \$883,642. Tara, Texas*

*Total debt \$24,503.47, will be debt free in 3 years 4 months, interest saved \$13,045.07, time saved 50 years 11 months. Money in the bank for retirement \$188,036. Janic, Wisconsin*

*Negotiated a medical bill original balance was over \$800 settled for \$100.30 thanks to Steve's Real Debt Solution Program. Kathy, Wisconsin*

*Paid off \$6,525 in credit card debt in 2 years. Kevin, Texas*

## **How to become a client of The Real Debt Solution**

Visit our website @ <http://www.nomoredebt2011.com>

Call our 24 hour customer service/ordering hotline 1-888-735-2457

Call our office 9am-5pm Monday – Friday 262-745-6879

Email: sawilliams@therealdebtsolution.com

