

MANAGING YOUR MONEY

Tips from the Federal Reserve Board



Taking Control Of Your Debt

(NAPSA)—There are ways to get a handle on mortgage, credit card or auto loan payments.

That's the advice from financial experts, who say that simple things like budgeting and shopping for lower rates could save consumers plenty—and be an important first step toward getting out of debt.

The key, however, is to not ignore the problem.

The further behind you become, the harder it will be to reinstate your loan or restore your credit, and the more likely that you will lose your house, face repossession or be charged late payments. In fact, the Federal Reserve Board says if you are behind on payments, one of the most important things you can do is seek assistance. Their experts offer these tips:

Set A Budget

Review your spending for a month, make cuts where possible, and decide how much you can afford to pay toward your loan or credit card.

Make Contact

Contact your bank or lender. Let them know how much you can pay and try to work out an extended payment plan with them. Remember that lenders would rather have you make payments—even a smaller payment—than foreclose on your house, repossess your car or write off your credit card as a loss.

Talk To The Boss

If a customer service agent rebuffs your efforts at working out a payment schedule, ask to talk to



There are resources to help keep you from losing a house to foreclosure or a car to repossession.

a manager or someone higher up. Try not to be intimidated and remember that you deserve to be treated with respect. You should be able to find someone willing to help.

Protect Your Credit

Better to work out a new payment schedule than to be subject to a bad credit record due to defaulting on a loan. Once your credit report shows you have bad credit, it affects your ability to get low interest rates on future credit. Or worse, you may be denied credit altogether.

Learn More

Research resources and organizations that can help with debt restructuring. Good resources include the Federal Trade Commission's Web site at www.ftc.gov, and www.federalreserveeducation.org, where you can access downloadable brochures and articles. For more information, visit www.federalreserve.gov.