

GOODBYE ~~DEBT~~ HELLO FUTURE

4 Steps To:
Get Debt Relief
Avoid Bankruptcy
Unlock Your Financial Future

MICHAEL TAGGART
OF

Oklahoma  DebtRelief.org

GOODBYE DEBT, HELLO FUTURE:

4 Steps To: Get Debt Relief, Avoid Bankruptcy, and Unlock Your Financial Future

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AUTHOR'S NOTE

Not long ago, I found myself buried in debt. At times, I felt like it was hard to breathe because no matter how hard I tried, I just couldn't dig myself out of the despair I felt.

Until one day, I'd finally had enough. And, I followed the steps you're about to learn in this book. What might surprise you, *because it surprised me*, is that everything started to get better, **THAT VERY SAME DAY!**

Let me assure you ... there is a way out of debt, no matter how deep of a hole you find yourself in.

I wrote this book to show you the path. (Actually, I also wrote this book for my family, and *for my little girls*, in case someday I'm not there to give them this advice.)

This book gives you the path. The path to say, "goodbye" to debt forever, and "hello" to a future where you can start to build your financial freedom.

My name is Michael Taggart, and I'm a co-founder of DebtReliefCenter.org.

Our organization helps people with all aspects of debt-relief, and we specialize in creating a customized plan to help you get out of debt so you can begin building the financial future that you deserve.

In 2018 alone, we helped 321,611 people with plans for how to overcome a combined \$10,008,814,180.00 in debt.

In one year, that's over \$10 BILLION dollars of debt we helped people eliminate forever.

Here's the good news ... we can help you, too.

To get started on your debt-free path, go to DebtReliefCenter.org to complete your assessment.

INTRODUCTION

MICHAEL'S JOURNEY

(The author's personal story of getting out of debt.)

I started sweating as I handed over my credit card to the cashier. I said to myself, *what if there's not enough to cover the groceries?*

It seemed to take forever for the young woman behind the counter to punch in my credit card details. Looking down the line of people behind me, I tried to wipe my palms dry on my pants.

The cashier lifted her eyes to me; a bored look stamped on her face.

I gave her a half-smile and swallowed nervously. Taking a deep breath, I willed my heart to slow down so it wouldn't beat out of my chest.

Nearly hyperventilating, I thought to myself, *if this card doesn't go through, what am I going to do?*

My card HAD to go through ... or else, my 10-month old baby wouldn't eat.

Behind me in line, I heard someone cough. I felt them fidgeting and staring at me.

A baby tucked into the front seat of a shopping cart kicked his fat legs. In spite of myself, I smiled at the chunky little guy who looked close to my daughter's age ... 10 months old.

Which took me back to the present. Kara, my daughter, was the reason I was at the store in the first place. To get: formula, diapers and baby food.

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Kelly, my wife, was waiting at home. We often joked that we should just have my checks direct deposited at the grocery store, instead of our bank account.

A wave of nausea hit me as I waited for the teenage girl in charge of ... well, everything in my life at that moment ... to make that register approve the charge.

Oh no! It's taking so long! Are people staring at me? Crap, they know!

My self-talk took over. You idiot! You should have paid attention more. You should have stopped the bleeding before it got worse. You're a loser who's not keeping your promises. You suck as a husband and father ... And everyone is going to know in the next couple of seconds that you don't have any money.

It looked like the cashier was refusing to meet my eyes!

But then she turned to me. "Sorry sir, sometimes it takes a while," she said in a flat tone, "Might be something wrong with it."

"Ha-ha, yeah." Was all I could say.

So, I waited some more.

"Processing. Processing. Processing." I stared at the word flashing on the register screen. I mentally counted the cash I had in my wallet. Then the cashier spun toward me. She shoved my credit card and receipt in my hand.

I must've stood there a second too long because she said, "Is there something else? "Oh, oh yeah!" I chuckled. "I mean, nope! All good here. Thanks!"

"Mmmkay then," she replied and turned back to making groceries blip with the scanner.

GOODBYE DEBT, HELLO FUTURE

In the time it took me to bag up the formula for my hungry kid and head toward the car, my life changed.

I knew my direction now. It was home. I had skated by once again. But there wasn't time to think about that. Besides, I knew the promise I'd made to myself, too. But I thought defensively, *what else could I do anyway?* The one thing I was sure of was ... *I would figure it out. Soon.*

If you can believe it, being in grocery store limbo still wasn't enough to stop me from making our financial situation worse. And even though Kelly tried her best to be supportive, I wasn't bringing in enough cash. We were approaching shakier ground in our marriage because we bickered a lot more, and I was terrified.

What if things got worse? What if I couldn't fix them? Kelly had every right to her feelings. So, I did what I did best ... stuck my head in the sand, praying when I went to the store or gas station or wherever *please let the card go through. Please! I'll fix everything if you can just please let this card go through.*

Amazingly, I lived like this for a while. I think about it now, and I shake my head. What a ridiculous way to conduct your life ... *praying that you can afford the necessities and making zero plans for what to do if one day your luck runs out.*

Trust me. This is no way to live.

But I wasn't done beating myself up and justifying my terrible decisions. Maybe you know this feeling, too?

ONE NIGHT TWO MONTHS LATER...

It was July 11, 2009. It had been a hot day, and I was driving home from work when a revelation hit me. I was acting like a frog in the

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proverbial boiling pot. I was slowly boiling to death versus feeling the heat and jumping to safety.

But it was worse than that. I was a lying, hypocritical frog who was slowly cooking his wife and daughter, too. Every day, I went to work and ironically enough, tried to help people with their debt...

As an entrepreneur, I'd always focused on the positive side, and I always knew I'd find a way to make it work. But, to use another animal analogy, I was behaving like the ostrich that stuck his head in the sand to ignore (well, escape), the reality of the situation.

The plain fact of the matter was: I wasn't following my own advice.

Ashamed, I thought to myself for an innumerable time what an idiot I was being.

THE BOILED FROG.

They say that if you put a frog in a pot of boiling water, it will leap out right away to escape the danger. Going from its room-temperature environment to scalding water gives the frog no choice but to get the heck out.

But a strange thing happens when you plop a frog into a pot of *lukewarm* water. They can't tell the difference in incremental temperature changes when the water heats up. So, they stay in the pot until they boil to death.

Just like the frog, we can remain stuck in situations that slowly get worse without even realizing it.

**No frogs were harmed in the making of this book.*

I am not saying, "Well, I didn't realize my situation, and so, I am innocent." Of course, not.

But I am saying it is easier than one may think to get used to circumstances ... even when they are damaging. You can sit in that water and be unaware of how bad things are getting even though you

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feel it. Yes, when your finances are shot, you absolutely will know it ... even if you can't admit it.

In the car that day, driving home to see my family, I realized *I am the frog in that pot. I have been trying to boil myself alive.*

As soon as I could admit that, the only thing I wanted was out.

I had to have relief.

As I switched lanes to get ready for the turn off the ramp that took me closer to home, I was disgusted with myself.

Last week, when the phone rang, I had freaked out.

"Don't answer it!" I'd yelled to Kelly. "Let the machine get it in case it's a bill collector."

"It always is," she said, giving me sad eyes.

Walking into my home felt so heavy lately.

"I have to fix this," I said, gripping the steering wheel of Kelly's grandpa's car. *I can't even afford a car for our family.*

Everything was crashing around in my brain, jumbling my thoughts together.

Everyone knows what a failure I am. I can't take care of my wife or my baby.

No one believes in me anymore. I'm not even good enough for Kelly's family ... I can't provide for her. Of course, they're disappointed. I'M DISAPPOINTED!

The street signs flew by as my self-loathing continued. Once I had accepted the truth, I couldn't back away from it.

I had borrowed money from so many people to keep us out of trouble. Family and friends had come to the rescue far too many times. I was turning into "that guy" who always needed a loan. *And*

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*the relatives who bail me out the most are all on Kelly's side of the family!
It's not only her father but her grandfather!*

Tears welled up in my eyes as I considered ... *maybe she doesn't respect me anymore? Maybe I am teaching her how not to believe in me?*

The pain of the truth crushed me.

I drove on.

Dave Ramsey's advice echoed in my head: "*You can't outearn stupidity.*"

Even my professional career choice argued that I knew better.

I help people get out of debt, for crying out loud!

I was out of excuses.

My problem needed correcting THAT NIGHT.

Fortunately, I knew I had the resources since we used them with people every day. It may seem weird, but I finally knew what I needed to do. And, seeing that path, felt like I'd found a winning lottery ticket in the car that night.

Suddenly ... I couldn't wait to get home.

THE IDIOT.

You might be wondering, *how in the hell did this guy end up with a debt-relief company?*

Well, it's a good question. I've often marveled about how things work out.

The answer:

It was an accident.

I had an internet marketing company in 2001, and it was really great ... *until it wasn't.*

After four years of some pretty good success, we had to close our doors and pivot.

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Since we had experience in the personal finance space, we started a website called Credit Learning Center. This site educated people on topics like credit and debt.

In the course of working on that site, people reached out to us regularly for help with their debt situations. We found that they were drowning in minimum payments and thought that bankruptcy was the only option. Using our professional network, we were able to team up with a great debt relief company that did an incredible job helping people.

We started working with them to help our people more often, and DebtReliefCenter.org was founded. Over time, more and more people came to us for help with their situations.

And here we are today.

In the time we have been in business I have learned a lot about the industry, and the few debt relief companies we chose to work with that met our high standards, that allow our clients to live a new debt-free life.

If we opt to work with a debt relief company or not depends on if we would refer them to our friends and families. That's the criteria we use every day to make sure that what we are doing makes a real difference in the lives (and wallets) of people who deserve better.

The truth is, I didn't know how much credit card debt we actually had at the time. I just knew the minimum payments were more than I could pay.

Plus, the balances were climbing higher as we invested more money into our young business.

I didn't want to admit that I was failing. But I was, and I knew it.

Right then and there, in that old, hand-me-down Camry, I decided enough was enough. I made the hardest decision of my life. I was going to ask for help. I had to become a client in my own company—even if it made me embarrassed.

My family's worth it.

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As Soon As I Got Home...

I knew it was time to start fixing things.

I pulled into the driveway, walked in through the garage and into the house, kissed Kelly, and our one-year-old daughter, looked at my wife, and said, “Honey, I’ve had it. I’m finally going to figure out what to do with our credit card debt—starting tonight.”

Ever supportive, she smiled and said, “Okay, sweetie, let me know if there’s anything you want me to do.” (Honestly, I have the best wife on the planet. I don’t know how I would have done it without her continued faith in me. Having now worked with so many families, I see now, that not everyone has an understanding and supportive spouse.)

Hearing that from my wife was a bigger relief than you may imagine. Recently, we’d been stressed and arguing about money and finances. Fortunately, my declaration of “fixing” our problems wasn’t going to trigger one of those fights.

I locked myself in our home office. I sat down in the chair in front of our family computer, fired up Excel (yes, I’m that kind of guy) and started adding in the numbers. I had to dig statements out of drawers (where I had hidden them from myself), and I had to find passwords to different online credit card and banking websites to total up our balances and minimum payments.

While this was painful, strangely, just knowing the extent of the damage gave me hope. Even though we were still drowning, I started to feel positive there was a way out.

That was a totally different and surprising feeling I couldn’t ever remember having.

Now, what I’m about to share with you are my REAL numbers. For you, these numbers, might seem low, or they might seem high,

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but it doesn't matter. What matters is, what these numbers meant to me. This debt was hurting my family and me.

If your debt is lower or higher, it doesn't matter. The principles and the system I'm going to show you in the rest of this book will work for you, too.

In my situation, I had three credit cards and three medical bills that I'd been avoiding for what seemed like an eternity. My credit card debt alone had grown to over \$20,000, with minimum payments of \$896 per month. (Which happened to be \$896 more than I had every month.)

The process was definitely scary, but as I said, once I started, it was therapeutic. For some reason, just **FACING THE TRUTH**, and going through the process, then finally seeing the scope of our problem helped me feel better.

Plus, now that I wasn't hiding from it, I could use our company's plan and system to do something about it. All I had to do was take the same advice I'd been giving our clients.

(This may seem obvious to you now reading this, and you might think I'm an idiot, but at the time **it was as though I had just discovered these solutions for the first time**. It's a little weird, or more accurately it's embarrassing, but it's true.)

The next step was just to complete the free debt-relief assessment we give to our clients. But, to do so *as a client*.

Once submitted, I'd be matched up with a professional debt relief company that was the best fit for my situation. I simply had to use the very algorithms that I had been working so hard to develop for other people.

As I sat there I felt like the guy from the Hair Club for Men commercials— "I'm not only the president, I'm also a client!"

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HAIR CLUB FOR MEN.

Founded in 1987 by Sy Sperling, who was balding and not happy with the solutions available to him to re-grow hair, *Hair Club for Men*, was born.

At first, the company grew only by word-of-mouth, until one little commercial changed everything.

After the first *Hair Club For Men* commercial aired, the company received 10,000 calls.

You might remember the iconic commercial with Sperling looking directly at the camera and saying, “I’m not only the Hair Club president, I’m also a client®.”

(If you’re too young to know what I’m talking about, search it on YouTube.)

That’s right, the owner of the company, needed help ... so he created a solution and shared it with others¹.

Here was my concern:

What if one of our clients found out that “I” was the person enrolling in their program? What if our employees knew? What would that mean to our company and to our future?

However, I knew what these programs could do. I also knew the situation I was in, and I knew that these programs and even the laws in this country were set up for EXACTLY the situation I was in—right now. So, I swept aside my guilt and shame, and I pressed on. *Well, I pressed submit.*

The truth was, I’d been so busy planning the solution for other people, that I’d ignored my own situation.

Now, that I was finally starting the process, I surprised myself by actually being excited about going through it. Any lingering guilty or embarrassing feelings started to go away.

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Hitting submit, sitting in that chair that I typically paid my bills from, in an office that I'd begun to dread being in, I sat straight up in the chair and smiled.

Relief was coming!

I realized that as I continued on in the program, I'd also learn things about the process that would massively help my clients. Maybe for the first time ever, I was getting real about understanding our clients' fear, and shame, and wanting to hide.

I realized that our clients are just slow boiling frogs. They are good people who have made the best choices they could, but ones, that, for one reason or another, worsened their financial situation until they couldn't see a way out.

I realized that by going through the process myself, I'd become a better advocate for them. My desire to treat our clients and our team as family had finally come full-circle, and I now needed the support of the company and family and relationships that we'd built.

I began to see my situation as a blessing. And as I sat there, finally seeing a solution to our situation, I got matched up with a company who gave me an exact quote for my debt situation. Only about 10 minutes had gone by.

The company was called CareOne. If I were to enroll with CareOne, they would renegotiate terms on my behalf, and I'd go from having multiple monthly payments to having one new and reduced lower monthly payment of only \$559 instead of the \$896.

In addition, it gave me a debt assessment that I would be debt free in three years.

I called Kelly into the office, and together, we decided to move forward.

We enrolled that night, and immediately, things changed.

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HERE'S WHAT HAPPENED NEXT

First, the stress between Kelly and I lowered immediately.

Second, our monthly payments were reduced and set on autopilot, so I didn't need to worry or fret each month about a bunch of different bills.

Third, CareOne negotiated all of our interest rates to lower rates and worked with each creditor on our behalf to give us the best chance of success.

Two months after we enrolled, Kelly and I put \$1.5K into our savings. To me, it seemed like a million bucks.

Plus, every month, as we followed the steps, Kelly and I got more excited about our situation. Slowly, we stopped feeling anxious about our finances because every month, we were seeing improvement.

September 12, 2012, after 37 months of following the plan, Kelly and I were 100% free of all credit card and medical debt.

And we've never looked back.

THE OSTRICH SYNDROME.

When frightened, ostriches instinctively bury their heads in the sand in the hopes that trouble will pass them by—or so the myth says.

In reality, ostriches don't really bury their heads in the sand to avoid danger. Not only would they be unable to breathe, but when you think about it, they really have no reason to do so.

So where did the myth that they bury their heads in the sand originate?

Call it good parenting.

When it's time to start a family, the ostrich digs a massive hole and buries their eggs safely in the ground. Then, mom and dad take turns sitting on the eggs to protect them until they're ready to hatch.²

Probably more accurately, the ostrich myth describes a human fallibility.

Most people figuratively close their mind and hide from what they foolishly fear.

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Kelly and I don't play our game of ostrich anymore—sticking our heads in the sand.

Once we put that plan in place, our lives changed.

Toward the end, my mindset and story about debt changed from something very negative, into a positive story that I could share with others.

It was a gift to learn to invest in myself and my family. (Today, I'm proud to say that my family has grown, and I have three beautiful daughters.)

It is also a gift to spend my time and energy, focusing on creating memories with my family, knowing that I have nothing to run from.

It all started with taking that first step ... I MADE A CHOICE.

The day that happened is the day Kelly, and I started envisioning a better future and using the simple debt-relief plan, we enabled it.

And do you know what my most shocking revelation was during this whole time?

When Kelly and I were playing our ostrich game, we *never* dreamed about our financial future. It didn't seem like we had one. (Unless it was a future of dodging bill collectors, praying at the grocery store and feeling like a loser.)

I have since learned that dreaming with your spouse about your future and all of its possibilities is a critical component to achieving a healthy and lasting relationship. Couples in trouble are often not on the same side when it comes to figuring out what they need to do to get out of the boiling pot. Because of this miscommunication, they are divided, and this hurts the relationship.

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But here's another shocking statistic about marriage, according to Dave Ramsey ... "94% of those with 'great' marriages discuss their money dreams together, compared to only 45% of those who say their marriage is 'okay' or 'in crisis.'"³

I think that says something.

Kelly used to ask me all the time when I was going to go out and get a real job.

But I already had one. It was my dream. Yes, it hurts when the people you love don't support you or your dream. And, of course, it hurts when your capabilities as a provider are questioned. Even if that doubt is merited.

But now that Kelly and I can dream together, and I can show her I will put our family first, our relationship is stronger than ever.

I don't share my story for any sort of accolades or praise.

I only share it in the hopes that you might gain a bit of hope by reading it. Of course, everyone's situation is unique, and maybe yours is better or worse than mine was, but know this:

You are not alone.

Even better ... debt can be overcome.

In the following pages, I'll show you how a few simple decisions can help dig you out of debt forever.

It's called the C.A.R.E. Method:

CHOOSE

ASSESS

REFUSE

ENGAGE

Remember, we've used these four steps with over 321,000 people.

GOODBYE DEBT, HELLO FUTURE

WE ARE NOT GUESSING “IF” THIS WORKS.

It works.

These steps have been proven to help you eliminate your debt.

I hope you enjoy this book, but more importantly, I hope that you “apply” these simple steps.

What I want more for you than anything, is to experience the freedom and the happiness of living debt-free.

And one day to soon be ... financially free.

You deserve it.

WHO THIS BOOK IS FOR

This book is for you if you're in debt and want to get out of it. Period.

And if you've ever been:

- Stressed about money, or
- Turned down for credit or a loan, or
- Embarrassed by your credit score, or
- Fighting with people you love about money, or
- Overwhelmed by outstanding bills you don't know how to pay, or
- Afraid your credit card would get declined, or
- Sleepless from worrying about money, or
- Sick and tired of debt and praying to find a way out...

If this is you, don't worry—you *are not alone*.

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According to a study by PewTrusts⁴, approximately 262 million, or 80% of Americans are in debt.

Sadly, you have plenty of company! So, if you are in debt, please be assured you are not the only one out there in over your head. Everyone wrestles with debt in isolation, and that gives it too much power over them.

Some people might tell you you're crazy to think there's a solution. They might throw their hands up in the air, give up, and file bankruptcy.

But that's not always necessary.

Look, my #1 goal is to help people get out of debt.

We've done it for over a decade.

All you have to do is take action with the book you have in your hands.

There is a way out.

This book is your path.

WE NEED YOUR HELP

In 2018, my company, DebtReliefCenter.org, helped 321,611 people with plans for how to overcome a combined \$10,008,814,180 in debt.

If that many commas are hard for you to process, that's over \$10 billion dollars.

However, in February 2019, the Federal Reserve reported that consumer debt in the U.S., excluding real estate, reached a high of \$4.04 trillion.⁵

Over \$4 trillion in debt!!!

GOODBYE DEBT, HELLO FUTURE

Of course, I'm proud of the people we've helped, but it's less than 0.25% of the reported US consumer debt.

While \$10 billion may seem like a lot, it's just a drop in the bucket.

We need your help.

Our mission is to help people live debt-free.

If you know of anyone who is in debt and wants to get out of it, we'd like to give them a free copy of this book.

To help someone you care about begin their debt-relief journey, go to GoodbyeDebtHelloFuture.com.

HOW TO USE THIS BOOK

I wrote this book in three sections to make it really easy to digest.

First, we'll shine a light on the myths and lies that you and most of the world have been told, as well as how you can stop the insanity.

Second, we'll reveal the truth and the proven step-by-step path to becoming debt-free.

Third, you need a plan to create the future you desire and deserve.

I've split it up into three sections for you:

1. The Problem
2. The Truth
3. The Future

Not only do I have my own personal journey to share with you, but that of the over 10 million people we've already helped.

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HERE'S WHAT MAKES THIS BOOK DIFFERENT

Most books about debt and money are overwhelming and...

B - O - R - I - N - G.

Money can also be an emotional and overwhelming subject.

So, I thought that the best way to walk you through our debt-relief system is to tell you a story.

So, in section two of this book, "The Truth," you'll read a fictional story combining the experiences of the hundreds of thousands of people we've had the privilege of helping to become debt-free.

I think what you'll find is that most of us go through the same pains and feelings of overwhelm and self-doubt.

I also think you'll find your path.

I look forward to you meeting our main character, Jordan.

YOU'RE ABOUT TO MEET JORDAN

In "The Truth" section of the book, you'll read a fictional story, about Jordan, based on the 10K+ people we've already helped get out of debt.

Jordan is a new father who finds himself deep in debt.

He is fed up with the struggles it's causing his family and him. As you will soon learn, Jordan finally gets committed to solving their money problems and protecting their family's future.

At the end of each chapter of Jordan's journey, we have a section for you named, "Now, It's Your Turn."

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Now, It's Your Turn

In this section, I'll give you simple steps to take, just like Jordan does in the story.

These steps directly correspond with the four steps that make up our C.A.R.E. method:

1. CHOOSE
2. ASSESS
3. REFUSE
4. ENGAGE

ONE LAST THING

These steps work.

In the pages to come, you can check out the magic formula we have used with ALL of our clients to lead them to debt-free freedom.

Now, after all that, it's time to learn about the problem that's been plaguing your life.

THE PROBLEM

CHAPTER 1:

Normal Is Broke

Watch what the idiots are doing and do the opposite.

—Robert Kiyosaki

You've been lied to.
So, was I. We all were.

You've probably heard that people can lie by simply omitting facts.

It turns out this lie starts in our schools.

Have you heard it?

“Go to school, go in debt for a degree you'll probably never use ... then get a good job, work hard, and save money. so you can pay off your debt, succeed and be happy.”

Works like a charm, right?

Wrong.

OUR SCHOOLS TEACH PEOPLE TO BE POOR

Schools never teach about money, or about how to become wealthy; that's not why they were created.

Instead, our schools were designed to teach you to be an employee, or a doctor or lawyer, or some kind of specialist, but they teach nothing about money.

NORMAL IS BROKE

They're structured in a way that poses huge obstacles to young people who wish to achieve financial success and freedom.

They don't teach you how to get rich at school, or about the importance of money.

You can't just graduate from high school or college, leave formal education and have even a basic financial education.

Many people think that having a good education is sufficient to lead them to the roads of acquiring new wealth, but they can't be more wrong!

Since financial education isn't taught in school, countless new graduates are crippled with student loan debt because of a false promise that their degree will help them earn more or land a better job. *This is quickly turning out not to be the case anymore.*

The sad truth is, our school system does an embarrassingly atrocious job when it comes to financial education.

Children learn a ton of stuff that they will never use later in life, but there's not a school in the country who teaches about income/expenses, net worth, saving/investing, etc.

Schools are by design, created in a way to produce obedient non-thinkers.

That includes avoiding teaching valuable classes that would help a person reach financial freedom, or at least, competently manage their personal finances instead of getting trapped by the "rat race."

But that's not all.

Here's another problem...

GOODBYE DEBT, HELLO FUTURE

OUR BANKS DON'T WORK FOR MONEY

Instead of working for money, the banks have money working for them.

It's a big difference in mentality.

Think about that...

The banks have money working for them.

They start by targeting the poor and middle class incredibly effectively with pre-approved credit cards that people don't even ask for.

They are very good at combining data to find the people who have the highest likelihood of keeping a revolving balance and only making minimum payments.

To compound the bad news, banks used to engage in terrible practices like Universal Default, but now that is outlawed.

Banks also used to send out statements as close to the due date as possible so they could collect as many late fees as possible.

Banks are also known to send out new cards to people who are maxed out on their current one.

But why do they do this?

So they can collect *over-limit fees* on the old card and get someone further into debt on the new one.

This is a trap banks use to collect fees. If they just extended the original card's credit limit, they wouldn't collect as many *over-limit fees*.

Speaking of *over-limit fees*, do you remember back in the day how cards used to be declined when maxed out? More and more banks are allowing these charges and then levying *over-limit fees* on every transaction over the card limit.

NORMAL IS BROKE

Here's another kicker...

THE GOVERNMENT HAS ALSO BEEN COMPLICIT

Lobbying credit card companies made it more difficult for consumers to file bankruptcy with the 2005 Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA).

The reason for this?

Without it, credit card companies would almost always get nothing in a bankruptcy as that type of debt is completely unsecured.

Societal Norms, or “Lies,” We’ve All Been Taught to Believe are things like “Everyone is in debt, so it’s okay.” Or, “If you can finance it, you can afford it.”

The reality is that the norm nowadays is broke. People don’t realize how much *carrying debt* keeps them from wealth.

For instance, not having a \$50 car payment would likely make you a millionaire in 30 years.⁶

And think about the rewards systems!

So many people have been lured into getting credit cards because of the rewards. However, these rewards cards (airline miles, cash back), carry higher interest rates than other cards. If you hold a balance on your card, you will pay much more than the rewards you get.

Even if you can pay off the balance every month, what happens if your income takes a hit and you lose your job? What happens if your paycheck gets screwed up and you are not paid on time? Can you survive a blip like that?

When this happens, people can’t afford to pay off the full amount, and they get charged very high interest rates. With 78% of

GOODBYE DEBT, HELLO FUTURE

Americans living paycheck to paycheck, this is a dangerous game to play.⁷ It's a sobering bit of news that's hard to swallow.

The good news is there is a solution to everything we've talked about.

The better news?

The solution is right here in this book.

But before we get to that, I'm sorry to tell you this but...

MOST OF THE AUTHORITY FIGURES YOU KNOW, AND YOUR PEERS ... ARE CLUELESS

It's highly likely that your parents, teachers and peers are deep in debt with no idea how to build long-lasting wealth.

The vast majority of people belong to the rapidly fading "middle class" or, even worse, the lower socio-economic levels.

These people never managed to rise at a higher level financially.

By being exposed to them, you pick up mannerisms, thought processes and ideas, that are aligned toward that negative direction. We are social animals; we can't avoid it.

Not only that, these people often actively steer you in the *wrong* direction.

For example, the most common recommendation you will hear from these people is for you to "get a safe job," instead of "taking the risk" to venture out and launch your own business.

It drives me crazy.

NORMAL IS BROKE

RICH PEOPLE TEACH THEIR KIDS TO BE RICH

While average people teach their kids to survive, rich people teach their kids to be rich.

The average family unconsciously passes down the same limiting beliefs they were taught about money from generation to generation.

These are the beliefs that have kept families at the same financial level for dozens, if not hundreds, of years.”

Rich people, on the other hand, not only teach their kids smart money habits, but they teach them that it's OK to want to be rich, and that wealth is possible for anyone who thinks big enough.

DISTORTION BY MEDIA

Another major pillar of keeping people in the “poor zone” and limiting their potential is mass media.

In short, newspapers, magazines, radio, and TV are businesses. (Yes, this includes the News.) And businesses are in business to make a profit. Their model is to get the attention of as many eyeballs as possible, so they can sell more advertising.

Once you recognize these facts, things might start to make more sense.

The media is often forced to:

1. Promote specific financial paradigms because their advertisers' interests lie toward those paradigms.
2. Talk in the most ridiculous, exaggerated way about money because that is what attracts eyeballs.

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It is sad to see that mass media has become so toxic these days. In my opinion, you're much better served by smaller, niche publications, that are driven by people who have actually "walked the walk" and who are not just "pontificating" about things they don't know anything about.

CHAPTER 2:

Debt & Despair

“An American Bankruptcy Institute study of bankruptcy filers reveals that 69 percent of filers say credit card debt caused the bankruptcy.”

—Dave Ramsey, *The Total Money Makeover*

When I first read that message from Dave Ramsey, that the cause of 69 percent of all bankruptcies was credit card debt, it broke my heart.

I imagine it also broke Dave’s heart to write it.

Why?

Because debt is beatable, especially credit card debt.

Too many Americans find themselves behind the 8-ball of debt and lose hope. Too many Americans make split-second buying decisions to keep using their credit cards because they don’t think they have any other choice. Too many Americans swipe their credit cards only to find out they are swiping themselves into bigger and bigger problems.

And once you’re trapped like that ... you can’t see your way out.

It’s like being caught in an avalanche, crushed by the weight of cold snow completely encapsulating you.

Imagine not being able to move. You’re trapped ... not knowing which way is up, down, or even what direction you should start digging.

But there is a way out...

DEBT & DESPAIR

Survivalists know the trick. They know even if they don't know the direction to safety, they won't die.

Do you want to know the secret?

They spit. Whichever way the spit goes on their face tells them what direction they need to dig.

All you need to do is figure out what direction to go to dig yourself out.

You need a debt survivalist to advise you.

Otherwise, how would you know what to do?

Now, that you know this strange (and admittedly) gross fact, don't you feel better about having a plan?

A lot of the time we find that money stress is majorly alleviated when a plan to manage it and resolve it has been identified.

Having control and making a plan to achieve control makes us feel better.

I want you to feel better.

I don't want you to experience what I did at the grocery store as a new dad.

I don't want you ever to doubt yourself because you made some snap decisions that seemed like a good idea at the time.

I don't want you to be frozen in indecision because you don't have the right information to take the first step to financial freedom.

Even if you are buried in debt like that avalanche, I know how to get you out.

I had to get out. I was slowly suffocating. The way I was living wasn't working.

GOODBYE DEBT, HELLO FUTURE

Perhaps, most importantly, how I was disappointed in myself was devastating.

Every day, I descended a little further into debt.

And every day, the pit of despair grew in my stomach.

Debt can be demoralizing.

That's why I am so overjoyed that you picked up this book.

Living your life free of debt changes every area of your life for the better.

If you dream of what financial freedom might feel like ... but are secretly afraid you'll never know, then this book is for you.

I wrote it to give you HOPE but also to show you THE PATH to a better financial future.

Before you read even further, I want you to know how critical it is that you alleviate stress. Stress is no joke. I read this: "The CDC reports 110 million people die every year as a direct result of stress."

Stress kills seven people every two seconds.⁸

Not surprisingly, debt was also listed as the number one stressor in 2018.⁹

THE TRUTH

CHAPTER 3:

Jordan's Journey

**This part of the book is a dramatization based on the real-life events of over 10,000 people we've helped get out of debt.*

The characters involved are imaginary, but the challenges they face and overcome are real.

With frustration and judgment in her voice, Jordan's wife Anne said, "I think you should really talk to my dad."

Deep down, Jordan knew she was right and that they were in trouble, but boy, did that hurt at a very low level. It was a gut punch to his self-esteem. How could he do that? Here he was 28 years old. Supposed to be a provider. Supposed to be a leader. Yet he had put himself and his new family behind the 8-ball financially.

How could he talk to his father-in-law when five years ago, he took vows always to cherish and, more importantly, take care of his daughter? How could he tell him he'd failed? No, wait. That he was currently failing.

".... right, you're right," Jordan replied.

Wait, what did I say? My subconscious must know something I don't, Jordan thought.

But he didn't change his words. He knew they were right.

What do we need to do? What do I need to do? What do we need to change? So many thoughts. Stop the thoughts. Give me a minute.

JORDAN'S JOURNEY

"Sorry honey. I feel like I've let you and Kara down in a big way. I'm sorry that we keep going negative each month and can't seem to get ahead," Jordan said.

"I know you're doing your best, but it hasn't been good enough. We have a child now, Jordan. What are we going to do?"

Ouch

"I don't know, Anne. I'm trying my hardest over here."

"Well, then please try harder, or smarter, or something. I'll go back to work, I guess, but I feel lost without a plan. We need a plan!" Anne's hands flew up in the air, and she disappeared into the closet of our bedroom, Jordan assumed to grab more clothes for the trip she was taking with their baby daughter.

Here we go again. Another moment where our relationship is strained over finances. Was this going to be another blow up like last week?

"Sorry, Anne," Jordan replied as she walked out of the closet, a sweater folded over her arm.

Anne put the sweater on the bed and looked up from the clothes she was placing into her suitcase for her upcoming trip with her parents to Lake Tahoe. She walked toward Jordan and unexpectedly gave him a hug. Then she leaned back and looked into his eyes as she sighed.

"Look. I love you, and I trust you'll figure out the right thing to do. We've had a lot of changes. Your income has been volatile this last year, and we have the expenses of a new baby. But you know what? It's just numbers. It's just money. I *just* want to be able to sleep better at night knowing we're making progress."

"Thanks ... but I'm still sorry." A forced smile showed on Jordan's face as he kissed her.

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Yeah, just money. Too bad it affects nearly every area of our lives.

“Okay, now I need to finish packing. Could you please get Kara from her crib and change her? I left her clothes on the changing table. We’re going to have to go soon,” Anne said.

Jordan nodded and turned to sheepishly walk out of the bedroom, into the hallway and the extra few feet to Kara’s room.

He opened her door, careful not to startle her.

Jordan drew in a breath and held it as he gingerly stepped toward her crib. A small tear formed in his right eye as he watched his baby girl sleeping soundly.

Not a care in the world. She’s confident in her parents to take care of her and provide for her. No bills, no mortgage, no work, no late payments ... must be nice.

Jordan gently rubbed Kara’s back and watched her eyes flit open. She instinctively looked around, then caught his face peering down at her. She rolled over onto her back. As he reached down and picked her up under her shoulders, he thought to himself.

I have to do it. I’ll talk to Ellis. I have to figure out how to be the best dad I can be for her.

He carried Kara over to the changing table and began working on her diaper. Just as he’d finally wrangled her squirming body into her traveling outfit, he heard the doorbell.

“Jordan, can you grab the door? I think it’s my mom,” Anne shouted from the other room.

He picked up Kara and left her room. As he approached the front door, he could see through the glass the blurred outline of his mother-in-law, Caroline. He undid the deadbolt and pulled the door open.

JORDAN'S JOURNEY

“Hi, Mom,” he said with a smile.

“Oh, hi, Jordan.” She replied, giving him a hug.

“And hello, you beautiful girl.” Caroline gave Kara a kiss while she was in Jordan’s arms and Kara dove toward Grandma. His mother-in-law quickly swooped her up without skipping a beat as grandmas must be wired to do.

“How are you doing, Mom?” He asked.

“Just great, and I’m very excited to go on a road trip with your two lovely ladies. I’m sad you can’t join us early, though.”

“Yeah, me, too. Just too much going on at work, I couldn’t get cleared, but I’ll be behind you in a couple of days.”

“I understand, and Ellis is looking forward to driving up with you. He’s had too much on his plate, too.”

“It’ll be fun,” Jordan replied and forced a weak smile. Inside he was stressing out over the conversation he knew he needed to have with Anne’s father, Ellis about their debt situation.

They had an awkward pause, and then Jordan piped up: “I’m going to see if Anne needs any more help from me.”

“Okay,” Caroline said easily. “I’ll keep an eye on Kara.”

Jordan walked back down the hallway and into the bedroom where Anne was struggling to zip up the last suitcase she’d packed.

“Here, let me help with that,” Jordan said.

“Oh, thank you. I’m all set. Could you grab those bags and get them in my mom’s van?” she asked gesturing to two duffels in the corner.

“Sure, no problem.”

GOODBYE DEBT, HELLO FUTURE

Anne left the bedroom to greet her mother in the living room. Jordan pushed down hard on her last suitcase and zipped it up. Then he grabbed the other two bags and pulled the big suitcase out of the bedroom, down the hallway and out the front door.

The van was unlocked in their driveway, and he opened the back and stacked the suitcase and bags inside, making sure Caroline's rearview wouldn't be blocked. Satisfied with his work, he took a step back, let out a sigh, and closed the van trunk.

"Bye honey," Anne said as she turned the corner from their walkway to the driveway.

"Drive safe. I'll miss you." She hugged Jordan as they stood behind the truck.

Caroline strapped Kara into the child seat she had set up in her back seat. Jordan gave Anne a quick kiss.

"You drive safe, and I'll miss you, too. Also, I promise I'll talk to him." That last part came out in a whisper.

Anne smiled and gave him another kiss before breaking the hug and walking toward the passenger side door. Jordan walked over and kissed Kara on her forehead.

"Love you, Kare Bear."

She sucked on her pacifier a couple of times in response as she stared back at him. Jordan turned and gave Caroline a hug; then she climbed into the driver's seat.

"Thanks again for taking them with you, Mom."

"Oh, no thanks needed. This is a treat for me. We'll see you soon." Caroline flipped her hand up casually.

JORDAN'S JOURNEY

The minivan started up as Jordan's wife, and mother-in-law waved goodbye. He stood in the driveway, waving back and watching as they moved out of sight.

Then he let out a long breath, turned and slowly made his way back inside.

CHAPTER 4:

Escaping Your Demons

Two days later, Jordan lifted up the lid to the mailbox. “Oh, joy,” he blurted sarcastically when he saw what was inside.

A pink envelope was sticking out among the Pennysaver, coupons and other letters.

I hate when they do that, he thought to himself carrying the bundle inside and closing the door behind him.

He has been conditioned to know what a late payment letter from one of their many credit cards looks like. Just as how he’s trained himself to ignore the repeated phone calls to the house from collectors, he has instinctively conditioned his brain to know problem mail in a split second.

Jordan took a couple of steps down the hall and turned into the home office. He placed the bundle on the desk and pulled out the offending pink envelope.

“Yep, another credit card late notice.” He let out a long breath as he ripped open the envelope.

This particular card was a couple of payments behind, and he read all sorts of scary language in a bold, red font spread across the top of the bill. FINAL NOTICE - PAY IMMEDIATELY.

As Jordan was sitting there, contemplating their mountain of debt, the doorbell rang. He jogged over to answer the door. When he opened it up, there stood his father-in-law, Ellis, smiling back at him.

ESCAPING YOUR DEMONS

“Hi, Jordan, ready to go?”

“Errr yeah. Let me grab my bags.”

Suddenly, Jordan realized he was still holding the late payment notice. On his way to the bedroom for his bag, he stopped into the office and threw the notice on the desk. Then he walked into the living room travel bag in hand, and grabbed his backpack with his computer inside and slung it over his back.

“All set,” Jordan said with a smile. “Do you need anything before we head off? Drink?”

“Nope. I’m good.” Ellis replied, heading out the door. Jordan followed behind him and closed and locked it.

Ellis had an 8-year old, silver Lexus LX470 SUV. He opened up the tailgate and threw in Jordan’s bag. Jordan got settled in the passenger seat with his backpack and pulled the door closed.

Ellis was in the driver’s seat by then and plugged the key into the ignition.

“Onward and upward,” Ellis said as he started the car and crept out of the driveway. They rambled down the hill in Jordan’s neighborhood and made their way out to the main road. A quick left and they were on their way.

“How are you doing, Ellis? Thanks for picking me up,” Jordan said.

“Oh, good, and no problem. I’m happy to make this drive with a companion. Ten hours to Tahoe goes a bit quicker with someone to talk to.”

“Yeah, it’s a bit of a drive.” Jordan chuckled, “But worth it.”

“And how are you doing?” Ellis asked.

“Alright, I guess. Kara and Anne are doing great.”

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“I didn’t ask about Anne and Kara,” Ellis replied playfully. “How are you doing these days?”

Here it is, here’s my opening. I can actually do what I promised Anne I would do, Jordan thought.

“To be honest a bit stressed out,” he replied with the understatement of the year.

“I see, work?”

“I guess, more like the money I make from it, or the lack thereof.”

“I hear you.”

They stopped at a red light.

“I’m just not sure what to do,” Jordan went on, as the weight of his and Anne’s recent financial reality started to lift from his shoulders. “Our income has dropped this past year, and with all the new bills and the mortgage I’ve been digging us into a hole using credit cards to cover the gaps.”

“Mmmm. How deep is that hole?” Ellis asked.

“Ummmm, I guess I don’t know exactly, but it’s probably about \$18,000 now and getting worse. I know I need to do something different. Your company helps people get out of debt, right? What do I do?” Jordan couldn’t stand the pleading tone in his voice.

Here I go, blowing the trip from the very beginning. He doesn’t want to hear about any of this. Why did I even bring it up? Shouldn’t I have just told him I’m fine? What will he think now?

“Yes, since founding DebtReliefCenter.org, we’ve helped millions of people get started on the road to overcoming their debt. But Jordan I don’t want you to feel alone or like your situation is hopeless. I’ve been in your exact circumstances.”

ESCAPING YOUR DEMONS

Jordan must've shown his shock through the look on his face because Ellis laughed a little before he grew serious again and said, "I really do know what it feels like."

"I didn't know you went through something like that," Jordan said.

"Oh yes," Ellis said. "I'll never forget what it felt like when I was struggling to start a new business, using credit cards to get by and staring bankruptcy squarely in the face. I tell you, Jordan, it's sad when you have to choose between paying your mortgage or feeding your family."

Ellis stared straight out at the road as he clued Jordan in. Jordan saw that time had been painful for him.

"I frantically called creditors trying to figure out a solution. It was awful getting late payment notices, avoiding phone calls, and never getting a good night's sleep. I remember coming home one night after actually turning down an opportunity that wouldn't pay me nearly enough to keep our family afloat. When I told Caroline I'd turned it down she looked at me and said "Why did you do that? You know we can't live on air!"

This time Jordan felt his eyebrows fly up in surprise.

"She was right," he said, "but I was holding on to hope that I could turn things around."

Now, Jordan was hanging on, waiting to hear how Ellis had fixed his problem. He would never know from looking at Ellis or talking to him that he had felt the same pain as Jordan had.

"Jordan, I think the last straw for me was when our water heater burst at the absolute worst time, and I couldn't even pay for a new one with a credit card because my account was maxed out!" Ellis thumped his hand lightly on the steering wheel. "Talk about stress! It was like my head was in a vice, and creditors were turning

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the screws! But, you know, that water heater blow-up wasn't such a bad thing after all, because it forced me to finally face the truth of how bad things really were."

Ellis turned for a split second and caught Jordan's eye, then he said, "And THAT was the moment everything started to change for the better."

Just hearing his father-in-law's story about his own tough times somehow made Jordan feel a lot better. He felt like he had already experienced more than one of those "last straw moments" himself. As they were flying down a two-lane highway, Jordan suddenly felt a surge of hope and blurted out . . .

"I'm ready to get help. What do I need to do?"

Ellis smiled and turned to Jordan, "Wrong question."

"Huh?" Jordan replied as the light turned green, and the car rolled forward.

"Wrong question," Ellis said again. "We'll get to what to do, but that's not the first step."

"I'm confused," Jordan replied.

"Let me tell you a story to explain what I mean. I have a friend named Dan, who I don't think you've met. Well, Dan was severely overweight several years ago. He was always a big guy, but in his 40s, it really started to run out of control. Fast-forward years and Dan lost just over 200 pounds.

"I couldn't believe it when I saw him, and naturally, I was very curious. I remember asking him. 'Dan, what did you do? How did you lose the weight and keep it off?'"

Ellis grinned like he was holding back a punchline as he navigated the traffic on the freeway.

ESCAPING YOUR DEMONS

“You know what he told me? He said, ‘I had an aisle to walk down.’

“I was a bit confused, so I asked him what he meant. He said that when his two daughters were 16 and 13, it hit him that he might not make it to their wedding days. His weight was going to significantly reduce his life expectancy, and he felt a fear in his gut that he was probably not going to live long enough to see them get married.”

I can't imagine that pain, Jordan thought.

Ellis kept on. “He decided right then and there that he was going to change that. He visualized walking both of his daughters down the aisle on their wedding days and made it his reason for why he was going to change everything about his weight.

“With that “why” securely in place at a very, very low emotional level, Dan then set out on his diet and nutrition journey, but he told me that the strong motivating “why” was the only thing that kept him going through all the tough times he knew were ahead. He claims it was the sole reason for why he succeeded this time versus the dozens of other times in the past when he had failed.

“You know,” Ellis wagged his finger, “It was fascinating to me hearing that.

“I did a bit of research after speaking with him, and it turns out he was exactly right. The National Weight Registry conducted a study and found that virtually all successful weight loss journeys have one thing in common. They have a deep, emotional “why.”

“They found that people with rational, logical reasons ultimately failed. The “why” *had to be* a deep, heartfelt, emotional desire so it would provide the long-lasting motivation for someone to succeed on a tough, weight-loss journey.”

GOODBYE DEBT, HELLO FUTURE

“I see,” Jordan replied. “The important first question is not ‘what to do?’ Instead, I need to ask myself ‘why do I want to get out of debt?’”

“Precisely,” Ellis nodded. “Anything that requires discipline and sacrifice has much higher chances of success if you are grounded in an unshakeable “why.” I know Dan’s story applied to weight loss, but the psychology is the same. You have to have a North Star that carries you through all the tough times that lay ahead.”

Ellis smiled again, and Jordan thought he had never seen him smile so much in one day. *And I had been so terrified to talk to him.* Now, *he* felt like grinning his fool head off!

“I can help you on this debt-free journey,” Ellis assured, “but there will still be discipline and hard work required of you and Anne.”

Jordan thought about that and retraced recent memories. Their personal finance situation had certainly been taking a toll on their marriage. It felt even worse when he factored in the stress of having a new child and all the many sleepless nights. He thought about the arguments Anne, and he seemed to have whenever money came up. They both wanted to escape the problem, and just get a breather from it for a minute, but their neglect to take action kept them in the vicious cycle of debt.

Jordan’s mind flashed to his wedding day, and the day Kara was born.

He knew what his motivation was.

“I want to get out of debt to be a better husband and father,” Jordan said.

It feels so right to say it out loud. Continuing our current way of doing things will only lead to more trouble and heartache anyway. If

ESCAPING YOUR DEMONS

I truly care about my family, then I have to do something, anything, to make it better.

Jordan added. “We’ve been going backward each month, and the problem seems to only be getting worse. I have to lead us out of this mess, or I’m not truly caring about them. I want to be able to put Kara through college in 18 years. I want to be able to give Anne the vacations she deserves. There are many things I want to do, and I know that debt will hold us back from being able to do all of it. I want to get out of debt so I can be the husband and father that Anne and Kara deserve.”

“Good,” Ellis said and patted him on the shoulder.

He’s proud of me. Man, that feels amazing!

“But, do you feel that motivation deep down inside of you?”

“Yes,” Jordan said, meeting Ellis’s eyes.

“Okay, then step 1 is complete. Now, it’s on to step 2,” Ellis replied as he changed lanes.

GOODBYE DEBT, HELLO FUTURE

Now, It's Your Turn

THE C.A.R.E. METHOD

STEP 1 - CHOOSE

The first step in the plan is to Choose.

“Choose what?”

You ask.

It is absolutely critical that before starting any financial tactics to get out of debt, you choose why you want to get out of debt in the first place. So many people jump into this without discovering their “why,” and many fail to become debt free because of it. They get excited about their plan. They may even sell some possessions and make some good choices.

But then the months go by and if they were only grounded in the “what” of their decision and not their “why” they tend to give up and go back to old habits.

Anything that requires discipline and is worth doing is only usually successful due to the motivating “why” behind it. People who start a diet because they can't wait to give up sugar and tasty foods usually fade. Whereas people who start a diet because they want to attend their daughter's wedding are much more likely to see it through. *Motivation is a powerful force for persistence, and persistence is what it takes to win in finances and so many other areas of life.*

Think on this quote for a moment.

“There are only two ways to influence human behavior: you can manipulate it, or you can inspire it.”—Simon Sinek

After reading it, wouldn't you rather have a positive influence behind your behavior rather than manipulation?

ESCAPING YOUR DEMONS

The goal at this point is to inspire you and not manipulate you. Let's go through a quick exercise and see what comes out of it. If you had to answer the question, "If you didn't have a debt payment in the world, what would you love to do?" What would your answer be?

My wife, Kelly and I wanted to provide a better future for our daughter, and in 18 years, be able to send her to college debt-free. Some people would give more to their church or a favorite charity. Others would pay off their home. Still, others would love to take a vacation with their family without worrying about debt. There is no wrong answer. Close your eyes for a moment and imagine if you didn't have a payment in the world what that would be like. Now, take a deep breath. What do you picture?

If you are married, this exercise is something that you need to do with your spouse right away. Don't start talking to your spouse about budgeting, interest rates, selling the car, or any tactic you can think of without including them. Sit down with them and just dream together. I believe it is the most important thing you can do as a couple when it comes to money. Seriously.

A study by Ramsey Solutions in 2017¹ found that money fights were the second leading cause of divorce behind infidelity. Why is that? It's because money impacts almost every single area of our lives. In a marriage, getting on the same page about money gives you an unbelievable leg up in your relationship.

I know this is a simple task and may not seem like much, but do NOT skip it. In fact, until you have dreamed about what life would be like for yourself or with your spouse, stop reading this book. Do NOT continue to the next chapter. It is that important. There is a page I've provided at the end of this chapter for you to write down your "why." Don't worry if your "why" is short or long but write it down and rip this page out of this book and put it somewhere you'll see it every day. Some people tape it to the bathroom mirror. Some

put it on their refrigerator. If you're reading an electronic version of this book get a printable page of your own at DebtReliefCenter.org.

Remind yourself what you are changing your financial life for, and you will be amazed at how motivated you will be and how quickly your situation will change for the better.

CHAPTER 5:

Looking In The Mirror

“**T**hat felt good. Okay, I’m ready for step two. What comes next?” Jordan asked Ellis. The road whipped beneath them and the promise of vacation was in the air ... including a permanent vacation from debt!

“First let me tell you about Bill and Julie,” Ellis said with a wink.

“Bill worked in the oil fields in Texas and was making about \$80,000 a year as an equipment hauler. Julie was working as a preschool teacher in the area. They didn’t have any kids yet but were hoping to start a family soon.

“Bill’s and Julie’s salaries combined to about \$100,000 and that made for a great income, especially in their area. Their income went a long way where they lived, and they weren’t exactly keeping tabs on how much they spent or owed as they racked up debt along the way.

“Many of the other guys working in the fields were buying new trucks and toys like RVs, boats, and stuff like that. Bill got caught up in it and was feeling pretty good as he and Julie’s income seemed to be able to absorb any financing they added. They were flying blind and never really looked into exactly how much they owed.”

“I smell trouble ahead,” Jordan said.

“You’ve got good instincts,” Ellis said fiddling with the air vent.

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He continued: “Well, about four years into this situation, they had a child, and there was a downturn in the American oil market. Bill was laid off along with many of the other men working in the fields. They didn’t have much saved as they were used to spending money as it came in. So, they’d never really thought about or prepared for an income crisis.

“Well,” Ellis shook his head, his silver hair catching the sun, “all of a sudden they had debt bills coming in where they couldn’t even make the minimum payments. With a new child, Bill and Julie were stretched thin and stressed constantly. Bill grabbed jobs where he could find them and was able to bring their combined income up to about \$50,000, but it was nowhere near enough to cover the lifestyle they were used to.

“Realizing they were going backward and getting deeper into a hole, they sat down together and took a look at exactly what they owed. In credit cards and other unsecured debts, they owed \$38,200. They also had secured loans for two cars and an RV totaling \$74,800.”

“Holy Toledo,” Jordan said. His jaw dropped open.

“Exactly!” Ellis said, his eyes riveted to the road. The sun was slipping toward the horizon, turning the sky pink and gold.

Squinting, Ellis adjusted his visor. He picked up where he left off.

“Once they saw the numbers in black and white in front of them, they were able to execute a plan. They immediately worked to sell the RV to clear about \$45,000 from their secured debt category and started saving a little money to buy a couple of ‘beaters’ as they worked to sell their other cars. They also reached out to us for help with their credit cards and other debts.

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“Two years and eight months later, they were completely debt free, and Bill was able to find a more stable, better paying job. They worked their way out of the hole they were in and are never going back, and it all started with first taking the time to figure out where they stood.”

Ellis paused and grabbed a bottle of water from the console. Jordan reached over and took it from his hand, opened it, and gave it back. Ellis took down several large gulps and said, “I’m not used to doing all the talking!”

They both laughed, and then Jordan grew quiet.

“Parts of their story sound pretty similar to mine,” he said softly.

“Yep, I was thinking the same thing. Jordan, now that you know your “why,” it’s time to assess your current situation ... exactly.” Ellis replied.

“Exactly?”

“Yes.”

“You know we’re in the car, right? I don’t have any of my files or old statements with me. Those are all back home.”

“You don’t need any of those,” Ellis assured.

Now, Jordan turned to face Ellis in his seat, racking his brain for how he could pull all his records together with a few more hours left in the car.

“Uh, okay. I guess I could try to register or log in to all of our credit cards and accounts,” Jordan suggested.

“You don’t need to do that either.”

“Huh? I’m confused.” Jordan said.

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“Do you have your laptop with you?” Ellis asked.

“Yeah, I have it here in my backpack.”

“Good, get it out and tether it to your phone so you can get online. I’ll show you a secret.”

Jordan pulled his laptop out of his backpack and woke up the screen. A couple of clicks later and he had connected his phone. Jordan glanced at the battery indicator. *Phew, it was charged. This might just work.*

“I’m ready,” Jordan said.

“Alright,” Ellis said, a note of excitement in his deep voice. “Here’s the secret. Your credit report has everything you need to know. It includes all the money you owe. It has records of who you owe, how much, what the minimum payments are and more.”

“Cool,” Jordan said. “How should I access it?”

“I want you to go to [CreditKarma.com](https://www.creditkarma.com) and create an account if you don’t already have one,” Ellis replied.

“What’s that?”

“It’s a site that gives you access to your credit report and scores from multiple bureaus for free.”

“For free?” Jordan replied. “What’s the catch?”

“Well, by registering with them, you give them the ability to show you targeted advertisements. They will only show advertisements to you based on your actual credit report. Things like getting credit card offers, saving on loans and such.”

“Okay. Sounds like a plan,” Jordan said as he began the account creation process on Credit Karma’s site. Then he froze. “Wait, will this hurt my credit?”

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“No,” Ellis said. “You only get a ding on your credit if you apply for a loan. What Credit Karma does is called a soft pull. It gives them access to your credit information without affecting your credit score in any way.”

“Neat.” Jordan chose from a set of multiple-choice questions about previous addresses he’d lived in to verify his identity, “I’m in already,” he said.

“Go ahead and select the tile on your dashboard that says ‘Accounts.’ It should be on the first screen when you log in with a few other tiles around it.”

“I got it.”

“Good. Now tell me what you see.”

“Whoa.”

“What?”

“Well, I thought I owed about \$18,000. Remember I told you earlier?”

“Yes,” Ellis replied.

“Well, I can tell you right now that it’s a lot more than that. I’m so embarrassed. I didn’t even know how much we owed!”

I knew there wasn’t a way out of this! I can’t believe I let it get this bad ...

Jordan’s face flushed hot for a minute.

“Hey,” Ellis said, he turned to look at Jordan, concern in his eyes, “It’s okay. Don’t be too hard on yourself. It’s a very common issue that we see every day at DebtReliefCenter.org. Most people don’t know exactly how much they owe, and that’s why step two is assessing your situation.”

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“At least I know the truth. That’s something.”

“Right,” Ellis said and flicked on the headlights. “Now, I want you to take a look at that Accounts page at Credit Karma. What is the exact amount for each category?”

“Credit Cards’ is \$25,993. ‘Real Estate’ is \$568,533. ‘Auto Loans’ is \$5,280. ‘Student Loans’ is \$30,420. ‘Other Loans’ is \$3,340. ‘Collections’ is \$580,” Jordan replied

“Now, we know exactly where you stand in total, but we need to take it a bit further,” Ellis advised. “Do you see on your screen that you can scroll down to each individual creditor and the amount you owe?”

“Yes,” Jordan replied, his fingers hovering over the mouse pad.

“Good, we’re going to make a list of every creditor you owe and arrange them from smallest to largest along with the minimum payment for that account. You can get the minimum payment by clicking on the plus sign next to each account. Write it down on a piece of paper or put it in a spreadsheet or something. The important thing is to just get it all in one place.”

“Okay, on it,” Jordan replied as he loaded up Excel. It felt so good to be taking some sort of step to dig Anne and himself out.

“I’m more comfortable having it in a spreadsheet so I can easily sort things later.”

“Whatever works,” Ellis said with a thumbs-up.

Jordan lined his windows up so he could see the Credit Karma dashboard at the same time as his spreadsheet and got to work. In about 20 minutes, he had the following view on his computer.

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Type	Account	Balance	Minimum Payment
Collections	Leonard M. Associates	\$580	\$48
Other Loans	Modern Adjustment Bureau	\$1,626	\$50
Other Loans	West Asset Management	\$1,714	\$75
Auto Loans	Ford Lease	\$5,280	\$313
Credit Cards	Wells Fargo	\$4,815	\$156
Credit Cards	Target Visa	\$6,624	\$204
Credit Cards	Chase	\$14,554	\$363
Student Loans	Sallie Mae	\$30,420	\$337
Real Estate	Ocwen Loan Servicing	\$86,240	\$734
Real Estate	Specialized Loan Servicing	\$482,293	\$2,920
Totals		\$634,146	\$5,200

“All done,” Jordan said as he looked over the figures in front of him.

“Good,” Ellis replied. “I’m pulling off. We need to get gas, and I don’t know about you, but I’m hungry.”

“I could definitely eat.”

“Sounds good. We’ll go over the list you made together. I have some more questions for you, too.”

Ellis steered the SUV off the highway at the next exit and pulled into an In-N-Out Burger. After finding a spot, throwing the car in park, and turning off the keys, Jordan and Ellis walked into the burger joint with Jordan’s laptop.

“Dad, let me buy. You’ve been helping me so much already.”

“Jordan, I appreciate the gesture, but no. I don’t want you to worry about the expense of anything on this trip. You’ve got more work ahead of you. I’ll take care of it.” He smiled at Jordan again, and a feeling of gratitude welled up in Jordan’s throat.

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“Thanks,” Jordan replied softly. They ordered at the counter and found a booth in the corner of the brightly lit restaurant. They both slid in, sitting on the same side.

“Alright, open that laptop. Let’s take a look at that table you made. Hmm. Do you know what that account in collections is?” Ellis asked.

“Yes, that one and the ones labeled ‘Other Loans’ are all medical bills leftover from Kara’s delivery. There were several things not fully covered by our insurance, and those are what’s left.”

“That’s good. Those medical bills are what we call unsecured loans. That just means they are loans that aren’t backed by any collateral. Your real estate loans are backed by your house, and your auto loans are backed by your cars. Those types of loans are called secured loans. It means if you don’t make your payments on time, the bank or creditor can repossess the items securing the loans like your house or car. However, medical bills and credit cards aren’t backed by anything.”

“Is that a good or a bad thing?” Jordan asked, dipping a fry in a puddle of ketchup on the tray.

“Well, it depends,” Ellis said in between bites of his burger. “The credit card companies are more at risk because they can’t repossess anything if you fail to pay. If you fall behind or they think you may file bankruptcy soon they are usually willing to work with you on restructuring the loan. That’s because if you did file bankruptcy, then they would get nothing. Now I say *usually* because every creditor is a bit different. But we’ll worry about all that later. Right now, we are still assessing everything. What do you currently take home each month in income?”

Ellis took another bite of his burger and washed it down with a sip of his drink.

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Jordan put his burger down and thought. Quickly realizing that he could be wrong with an estimate again, he pulled out his phone and brought up their checking account where his paychecks were deposited.

You have to get the numbers right, Jordan told himself.

“Last month it looks like it was \$6,240.65.” Jordan said as he put down his phone and took a drink of soda.

“Hmmm, you don’t have a lot of room to work with. Your debt payments, including your mortgage, take up \$5,112 of that.”

“Yeah, it’s been tight. You remember how I was laid off a few months ago? Well, I was looking for work and took a pay cut to get into a job sooner. We didn’t have much savings at the time and resorted to credit cards to bridge the gap. I think I’ll be able to work my way back up to where I was in a couple of years, but that’s where it’s at right now,” Jordan replied with a shrug.

Ellis ate a few fries and pointed at the screen. “Let’s take your car loan, mortgages and student loans and put them off to the side for now. We want to see how much you owe in unsecured debt alone. What is that total?” Ellis asked, digging more fries out of the box.

Jordan brought up the calculator app on his computer and quickly added up the ‘Collections,’ ‘Other Loans,’ and ‘Credit Cards’ categories.

“They come out to a balance of \$29,913 and a minimum payment total of \$896 ... Wow, that feels impossible.”

“It feels a bit different once you get it all in black and white, doesn’t it?” Ellis replied.

“Yes, it does, and scarier.” The burger felt like it was sticking in Jordan’s throat.

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“Sure, but doesn’t it feel a bit better in some ways?” Ellis asked after sipping his soda. “Think about it, Jordan. You were stressing out constantly about this. Your debt was a monster you were trying to fight, but you couldn’t even see the monster clearly. Now you can see him very clearly, warts and all, and that means you have a good shot at defeating him.”

I want to believe you.

“I don’t know; it’s pretty depressing looking at these numbers. I’m not sure I can see a light at the end of this tunnel.” Jordan replied. *Man, do I ever hope you’re right.*

“That’s okay. Remember we’re only on step two. In fact, congratulations! You just completed step two, which is to assess your situation completely. Two down. Two more to go!” Ellis held up his hand for a high five, and Jordan gave it a limp slap.

“Still two more to go.” Jordan sighed as he closed the laptop lid and began to clean up the table.

“I know you feel pretty terrible right now, but I promise you that it will get better. We help people in situations like this every single day, Jordan.” Now, Ellis put his hand over Jordan’s and gave it a squeeze. “In fact, just before this trip, my team gave me the year-end numbers for 2018. We helped 321,611 people with plans for how to overcome over \$10 billion in debt. So, I mean it when I say, it will get better.”

“Wow, that’s a lot.” *I guess I’m not alone.*

“I’m going to choose to believe you,” Jordan said as he and Ellis walked out of the restaurant and across the parking lot. They got into the car, buckled up, and headed onto the highway as Jordan tried to imagine how he was going to be able to pay off their debt. He did begin to feel a small glimmer of hope. It was a new and interesting feeling.

Now, It's Your Turn

THE C.A.R.E. METHOD

STEP 2 – ASSESS

Remember that glimmer of hope? It's your turn to feel it.

Now, you've nailed down your "why," and you're feeling a little motivated, but you're probably not quite sure where to start. Well, it's time to initiate step two of the C.A.R.E. method: Assess. If you are like 90% of the people we help at DebtReliefCenter.org, you don't know exactly how much you owe to each creditor. You probably have a ballpark idea, but you don't know exactly. It's now time to change that.

You can't defeat an invisible monster as Ellis mentioned earlier, but once you see it for what it is, it becomes possible to create a plan of attack and overcome it. On my own debt journey, I opened up Excel, just like Jordan, and listed out everything that we owed. Once I could see our debt situation for what it was, it was exciting to figure out a way to tackle it. Finishing this process took my breath away the first time, and it may take yours away, too, but I promise that it will get better.

Alright, let's figure out how much you owe.

There's a worksheet at the end of this chapter you can use, or you can just grab a piece of lined paper and a pen. Here's what you're going to do. I want you to write down the name of each person/company/bank you owe, then on the same line write the amount you owe. Next to the total amount you owe, write down the minimum payment for the creditor. Don't worry if this takes a little while. This is the time to put on your forensic investigator hat and figure out your exact debt situation.

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Finding recent statements and bills may be tough to do, so if you find yourself in that situation, here's what I want you to do. Go to Credit Karma on your phone, tablet, or computer.

Here's a link to their site: [CreditKarma.com](https://www.creditkarma.com). You can set up a free account here, and they will give you monthly access to your credit report and score. It's a service I have used myself for years, and it's really helpful to figure out who you owe and your current balances.

Once you are logged into Credit Karma, click the "Accounts" section and you'll get a highlight of the total for different types of debt: "Credit Cards," "Real Estate," "Auto Loans," "Student Loans," "Other Loans" and "Collections." You'll also get a detailed list of each creditor you owe and the balance you currently owe to them. If you click or tap on the individual creditor, you'll go to a detailed screen that shows you any late payments you may have had along with the minimum monthly payment which you need for your sheet.

Now that you've listed everything out, I want you to grab another sheet of paper and re-list all of these debts from smallest to largest. List the smallest debt you owe first, and the last line should note the largest debt you owe. If you opted to do this exercise in a spreadsheet, then just sort the balance owed by column ascending.

Congratulations! You have just completed one of the most important steps to getting out of debt. You may not have known it, but you have created your first debt snowball. This is essentially your map for how to tackle your debt and get rid of it once and for all. The benefit of the debt snowball is that it is a strategy that allows you to really make traction paying off your bills. When you pay off your smallest bill and then the next one, and so on, you learn that *you can control your debt, and you can take action*. It's a new sensation that fuels you to keep going and knocking those debts off one by one.

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This sheet will be your guide, and now that you have everything laid out in black and white, you may even be feeling the beginnings of some relief.

When you are using your worksheet each month, there are the guidelines to use to create your own debt snowball.

Remember these steps:

1. Organize your debts in order from the smallest balance to the largest.
2. Continue to pay the minimum payment on every debt every month.
3. Determine how much extra can be applied toward the smallest debt.
4. Pay the minimum payment plus anything extra toward that smallest debt until it is paid off.
5. Once an account is paid off, add the payment you were making on the first debt to the minimum payment on the second debt. Pay this amount toward the second debt.
6. Repeat until all debts are paid in full.

CHAPTER 6:

Discovering The Secret

(The dirty little secret banks don't want you to know.)

“How are you feeling Jordan?” Ellis asked, as he and Jordan crested a hill and zipped past the soft glow of streetlights.

“Pretty down to be honest,” Jordan replied.

Ugh, I sound so ungrateful.

“I mean I’m happy that I know exactly where we stand now, but parts of it seem insurmountable. Can we really get all of this paid off? The numbers seem so big, especially after my income took a hit.”

Jordan hung his head feeling a little annoyed at himself.

“Well remember, we’ve only covered two steps out of the four it takes to become debt free. It’s time for step three.” Ellis said as if *he* couldn’t wait to keep going!

“I think I’ll feel better if I start making some progress on something,” Jordan said.

“Don’t discount those first two steps,” Ellis encouraged, shooting a grin Jordan’s way again. “You’ve made more progress than you realize. In my opinion, they are the most critical steps to take. The last two steps dovetail off them.”

“Fair enough,” Jordan said and leaned toward Ellis to hear more.

“Let me tell you a story about Mary,” Ellis said. “Mary had prided herself on making her payments on time every month with

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all of her creditors. At 70, on a fixed income, she started finding herself in a different situation. After taking care of her ailing parents and putting her daughter through school, there wasn't much left. Unexpected expenses would come up, and she found herself using credit cards to cover the income gaps.

"It was little things over time like covering vaccinations for her dog, replacing a door lock when one broke on her front door, buying a couple of sweaters as the weather turned cold, or putting a needed oil change on a credit card."

"I know how that goes," Jordan said, shaking his head.

"We all have at one point or another," Ellis replied. "The problem was at interest rates north of 25% she quickly found herself in a situation where she couldn't get ahead of the debt. It just kept getting larger. Mary recognized that a big part of the issue wasn't staying on top of assessing her situation.

"Like many Americans, she went paperless with all her bills and later told us that she thinks that was a mistake. It became easier for the debt to grow when she wasn't looking at a detailed physical bill anymore. Instead, she was just trying to plan based on payments alone. She quickly lost track of balances and interest rates, which were both growing and putting her into an even deeper hole."

"I get that," Jordan told Ellis, who nodded as he went on: "She decided to switch back to paper statements after a few years of paperless and was sickened by what she saw. Her financial situation was in a bad place and getting worse every day.

"Knowing that she had to figure something out, she took it upon herself to call her bank to try to negotiate a better deal to finally stop going backward with her debts. She had already decided never to use the cards again and had frozen them in her freezer."

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Hub! Anne and I should have done that a while ago.

“Well, she had to make a change and refuse the status quo of her situation.”

“What are you talking about?” Jordan held his hand up. “I don’t get it.”

“Just listen,” Ellis chuckled. “The bank she called basically responded with ‘Sorry, that’s just the way it is.’”

“The way what is?” Jordan asked, unable to wait any longer to know this secret.

It sounds like she can change her debt terms? That can’t be right.

“She was trying to lower something. Her payments, rate, balance, anything to make a dent in her situation. But the bank wouldn’t take her up on what she proposed or agree to a different arrangement ... no matter what she tried.”

“But-but ... making a new arrangement works for some people? I mean, some people get their terms changed?”

That makes a lot more sense. I get it ... if it’s possible.

“Some do, but It didn’t matter that Mary had paid on time for decades. It didn’t matter to them that she had to take care of her sick parents. It didn’t matter to them that she was trying to make ends meet on a fixed income. They wouldn’t offer her a different arrangement no matter what she tried.

“She felt emotionally drained and humiliated. She told us that trying to negotiate with her bank herself made her feel about two inches tall.”

Like I’ve been feeling.

“We’ve heard this story before,” Ellis said. He turned his head briefly to assess the traffic in the left lane, then returned his eyes

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to the road “The banks and credit card companies always try to make it as difficult as possible for people to negotiate their debts. It makes sense. It’s part of their business model. However, an elderly person like Mary on a fixed income doesn’t have a chance. So, she also turned to DebtReliefCenter.org and was connected to a specialist at ClearOne who started to fight on her behalf.”

“That must’ve been a big relief,” Jordan said.

“One hundred percent,” Ellis agreed. “Now, ClearOne is a debt relief company that specializes in helping people like Mary. They help thousands of others like her every month. As such, they have their own creditor intelligence database and sometimes even have pre-arranged terms with banks and creditors. This allows them to very quickly restructure their clients’ terms and even come to settlement agreements. They know exactly who to talk to at each bank and what a good restructuring offer is.”

“That’s the secret sauce,” Jordan interjected his voice, finally matching a little of the lightness in Ellis’s.

“You’re getting it, Jordan!” Ellis had that tone again. Jordan thought just maybe everything might be okay.

There are a lot of ups, and down to solving this thing, Jordan thought. I’m all over the place.

“Now Mary stands a chance,” Ellis continued. “She has a lower monthly payment than before and is making progress to becoming debt free. She’s now going to be able to finally overcome the debt she’s in because of the professionals fighting for her day in and day out.”

“Wow, it must feel pretty good being able to help people like Mary every day,” Jordan replied.

And like Anne and me, Jordan wished/prayed.

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“Yes, it does. The banks and credit card companies have made it very difficult for individuals to renegotiate the terms of their debt. It’s their business and profit model, so they have to make it difficult. They even lobbied the government in 2005 and made it harder still for individuals to file bankruptcy. We’re talking about the largest financial institutions in the world. It’s truly a David versus Goliath battle, so it does feel good when we can help people make forward progress that they haven’t been able to make on their own,” Ellis said.

“Wait a second,” As the question Jordan wanted to ask Ellis sat on the tip of his tongue, Jordan hoped Ellis would give him the answer he needed to hear.

“Shoot,” Ellis said and turned on the washer mist and wipers.

“Can you really renegotiate terms on things like credit cards? I thought you were stuck with whatever you originally agreed to?” Jordan asked. The wipers squeaked against the glass and after a couple of swipes, stopped.

“You’re right about the fact that you agreed to the terms laid out by the bank when you first applied for a credit card. However, the banks also realize that it is more advantageous to work with people if they fall behind or are about to. The reason is because people in distress are more likely to file for bankruptcy. Remember that credit card debt is unsecured. In a bankruptcy, the credit card company doesn’t get anything.”

“That’s pretty sneaky,” Jordan said.

Ellis nodded and then spoke. “Another option that credit card companies have is to sell what they consider bad debt to a collections agency. Bad debt is a term the banks use to represent people who they think are at high risk to never pay back the balances they owe. When they sell this bad debt, it is often sold to the collection companies for pennies on the dollar. The collectors

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then get to keep whatever they collect, and they can be ruthless in their attempts to collect on debts they purchased.”

“I see. So, it really could make mathematical sense for a credit card company to lower an interest rate, adjust terms, or even settle debts for less than the balance because they will end up getting more money than if they sold the account to a collection agency or if the person filed bankruptcy?” Jordan asked.

“You’re getting it,” Ellis said.

I’m sure trying to...

“The game is incredibly complicated and is designed to be that way,” Ellis said and all at once Jordan smiled. This car ride had gone in such a different direction than the way it had played out in Jordan’s head.

“It can be incredibly difficult for the average person to even talk to the right person at one of these institutions, let alone know how to negotiate properly,” Ellis added.

“I see. The credit card companies make a whole lot more off people who stay stuck in the game of paying minimums. They set up the game to be complicated and difficult to hit the escape button of bankruptcy.” Jordan said and added, “Who knew?”

“Wait, Jordan. It gets worse. The banks and credit card companies have armies of data analysts and some of the most sophisticated computer systems in the world that know exactly who to target to maximize their profits. They know who is likely to get stuck in the trap of unsecured debt and pay year after year. Once they have their targets selected, then they send out pre-approved cards to these people.”

For the second time on their car ride, Jordan’s mouth dropped open.

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“Look, I don’t think the people who work at these banks and credit card companies are immoral. They simply know the game better than the public and have gotten very good at getting people into it and getting them stuck.

“There’s always new tricks of the trade that on the surface appear to give people more value like rewards cards. But the credit card companies have done the math. They know that people with points and rewards cards will spend more on average and be at a higher likelihood of holding a balance and not paying it off each month. That’s where they make the bulk of their profits,” Ellis replied.

“Well, I’m curious if a person pays off their credit card balance each month, does the credit card company make any money?” Jordan asked.

“Yes, they actually do. Every business that accepts credit cards as a form of payment has something called a merchant account. For every credit card transaction that they accept, a small fee is assessed. It’s usually about 2% or so and depends on the type of business. The credit card company is known as an issuer, and they get the lion’s share of that processing fee. So, they make money on every one of your transactions. Now the bulk of their profits come from the high interest rates assessed on balances you carry, but they also make money even if you were to pay off the card completely each month.”

“Interesting,” Jordan said watching cattle grazing on a nearby hill. *And clever ...*

“Let’s get back to step three though,” Ellis’s voice snapped Jordan out of his thoughts. “You probably have an idea from the story I told you about Mary, but step three is refusing to accept your current reality with your debt. Your unsecured debt is the

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best debt to renegotiate and restructure. Your next job is to work to get better terms.” Ellis said.

“But where do I start?” Jordan asked. “I mean should I just pick up the phone and try to call the customer service number on the back of my cards?”

“You can but let me lay out for you what’s involved if you were to decide to go at it yourself,” Ellis replied.

“First, you need to figure out what is the right number to call. You can certainly start with the customer service number but just get ready to be transferred around several times. Your job is to get to someone who can actually do something like lower your interest rate. Politely explain to each customer service representative the reason for your call and that you would like to speak with someone who can adjust your interest rate.

“Now, when you’re talking to the right person, you have a whole other game to play that depends on what you are trying to accomplish. Let’s say you are trying to lower your interest rate. If you have good credit, you can let them know that fact to show that you are a lower risk option for an interest rate reduction. Additionally, you could also mention other competing card offers that you are considering which have lower rates than what you currently have. I actually have a sample script for a call like this in the outside pocket of my laptop bag in the back seat if you want,” Ellis said. “Go ahead and grab it.”

Jordan spun toward the back seat, located the papers poking out of the laptop bag and pulled one out and took a look.

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NEGOTIATING LOWER APR SAMPLE SCRIPT

YOU: Hello. My name is _____, and I've been a (name of card issuer) customer for (number) years.

I feel I've been a good customer over the years, and I'd like to keep doing business with you, but my APR seems high and I'd like to talk with someone about that. Is that something you have the authority to change?

CUSTOMER SERVICE REP: No.

YOU: In that case, could I please speak with a supervisor?

CUSTOMER SERVICE REP: Just a moment. *The Eagles begin to play, periodically interrupted by a soulless voice that encourages you to "please hold just a little bit longer."*

SUPERVISOR: Hello?

YOU: Hi, my name is _____, and I'm interested in talking with someone about lowering my interest rate. May I ask whom I'm speaking with?

SUPERVISOR: This is Jerry.

YOU: And Jerry, what's your last name and direct telephone number?

SUPERVISOR: Jerry Smith, and I'm at (extension).

YOU: Thank you, Jerry. Here's why I feel my APR should be lowered. (Lay out your case for why you're a good customer and how your situation may have changed since you first got the card.) I'd like a rate closer to 10 percent.

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From here, the conversation could go several ways. If they agree to what you want, say thank you, ask for written notification of the change and the date you should expect to receive it, hang up and do a victory dance. If not, know in advance where you want to compromise.

The conversation might resume this way:

YOU: Well, is there a lower rate that you could give me?

SUPERVISOR: Well, let me see what we can do for you. (More classic rock.) Yes, I could give you an APR of 12.5 percent for the next 12 months.

If they refuse to lower your APR and it makes financial sense for you to close the account, bring up canceling the card.

YOU: I'd hoped we'd be able to reach an agreement on this, but if you really can't give me a better rate, then I'd like to close the account and finish paying off my balance.

SUPERVISOR: Okay, I'll make that notation on your account.

YOU: I'd also like to receive written notification that I've canceled the account. Can you tell me when I should expect to receive it?

(Source: CreditCards.com)

“Now Jordan,” Ellis resumed. The sky had morphed into a soft blue, and Jordan was getting excited about seeing Anne and Kara soon. “Let’s take a look at what a sample script could look like to actually settle one of your debts,” he said. “The approach is a bit different here as you need to establish leverage in your favor and be confident with a clear narrative. If you’ve been making

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payments on time, you will actually have a harder time getting a creditor to agree to a debt settlement.”

“Weird.” Jordan pursed his lips.

“They need to perceive you as a high likelihood of filing bankruptcy,” Ellis explained. “That means stopping all payments to them for a period of time, piling up cash, then making an offer to them at the right time. This is a process that can be risky, but it’s also incredibly effective at getting you out of debt quicker. I’m going to give you some better news in a moment, but just so you get an idea of what this process looks like I have another printout in my laptop bag of a step by step guide to DIY debt settlement that NerdWallet put together.”

Jordan reached back, pulled out a second sheet of paper, and read:

HOW TO DO A DIY DEBT SETTLEMENT STEP BY STEP

If you decide to negotiate with a creditor on your own, navigating the process takes some savvy and determination. Here’s a step-by-step breakdown.

STEP 1: DETERMINE IF YOU’RE A GOOD CANDIDATE

Answer these questions to decide whether DIY debt settlement is a good option:

Are your debts already delinquent? Many creditors will not consider settlement until your debts are at least 90 days de-

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linquent. Michael Bovee, a well-known debt settlement coach, says you'll have a better chance of settling a debt that is around five months delinquent with the original creditor. The five-month delinquency mark is around the time many creditors will sell the debt to a third-party debt collector.

Do you have the money to settle? Some creditors will want a lump-sum payment, while others will accept payment plans. Regardless, you need to have the cash to back up any settlement agreement.

Do you believe in your ability to negotiate? Confidence is key to DIY debt settlement. If you believe you can, you probably can. "If your confidence is wavering, DIY debt settlement may not be the best route for you," Bovee says.

STEP 2: KNOW YOUR TERMS

You need to negotiate two things: how much you can pay and how it'll be reported on your credit reports.

For payment, you may be able to settle your debts for 40% to 50% of what you originally owed, Bovee says.

While you're technically working to settle your debt as a percentage of what you owed, also think about how much you can pay as a concrete dollar amount. Comb through your budget and determine what that figure is. Note that you may have to pay taxes on the portion of debt that's forgiven if the amount is \$600 or more.

Settling your debt has two parts: Negotiating how much money you can pay and how it'll be reported on your credit report.

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As for your credit, by the time you're eligible to settle, it's probably been wrecked by delinquent marks from missed payments. But you may be able to slightly redeem yourself by clarifying how the settled debt is noted on your credit reports.

Settled debts are generally marked as "Settled" or "Paid Settled," which doesn't look great on credit reports. Instead, try to get your creditor to mark the settled account "Paid as Agreed" to minimize the damage.

STEP 3: MAKE THE CALL

Dealing with your creditor will require persistence and persuasion. This is a crucial moment in the settlement process.

You may be able to resolve the settlement in one go, or it might take a few calls to find an agreement that works for both you and your creditor. If you don't have luck with one representative, try calling again to get someone more accommodating. Try asking for a manager if you're not making any progress with frontline phone representatives.

If you're not making any progress with your creditor, it may be time to reconsider other debt relief options, like Chapter 7 bankruptcy or a debt management plan.

Approach the call with a clear narrative. Concisely portraying the financial hardship that made you unable to pay your bills can make the creditor more sympathetic to your case.

Don't lose sight of the amount you can realistically pay. Start by lowballing and try to work toward a middle ground. If you know you can only pay 50% of your original debt, try

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offering around 30%. Avoid agreeing to pay an amount you can't afford.

Success can vary depending on the creditor. Some are open to settling; others aren't. If you're not making any progress, it may be time to reconsider other debt relief options, like Chapter 7 bankruptcy or a debt management plan.

STEP 4: FINALIZE THE DEAL

Before making any payment, get the terms of the settlement and credit reporting in writing from your creditor.

A written agreement holds both parties accountable. They have to honor the agreement, but if you miss a payment, the creditor can retract the settlement agreement, and you'll be back where you started.

"Debt settlement is about commitment. If you miss a payment, it's over," Bovee says. "Say you have a 12-month settlement plan. You pay the first six months, but if you miss month seven, they take the past six months (of payments) then put it toward your full balance."

(Source: NerdWallet)

After reading the document for a while, Jordan commented, "Wow, I understand this a lot better now, but it also seems pretty difficult to do."

"I don't want you to think that you can't do it, Jordan because you can," The expression on Ellis's face made Jordan believe Ellis despite the long hours and dedication needed. "However," Ellis stated. "I'd be lying to you if I didn't tell you that it's an in-

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credibly difficult process and consumes a fair amount of time and energy to be successful at it. Remember my story of Mary? The credit card companies will put up as many roadblocks as possible because if it was easy, then everyone out there would do it, and their profits would evaporate. Not to mention you need to go through the same gauntlet with every one of your creditors and each one will be a bit different.

“Now here’s the thing that I tell everyone after explaining the process of renegotiating. You owe it to yourself to see what a professional can do for you. These professionals do settlements and negotiations every single day for thousands of people like you. Not only that, they work on a performance basis. They won’t make any money unless they successfully negotiate for you. It’s kind of like having an attorney working for you pro bono.”

I like the sound of that!

“These professionals have existing relationships with thousands of creditors and sometimes even have prearranged agreements that their clients get to take advantage of. If you were to call up your creditors yourself and go it alone, you don’t have any of that working for you.

“Then there’s also the added benefit that you can spend your time focusing elsewhere while they work on your behalf. You can use the extra time to spend with your family, or even pick up side jobs to throw as much as possible at your debt,” Ellis said.

“What about this business of stopping payments on my accounts? I’m not sure how I feel about that.”

“I understand,” Ellis reassured Jordan nodding slowly as he spoke, “you do have to remember that you are playing a game of chess in which the banks have established all the rules. For them to consider settling a debt with you, they have to see you at risk of default. That’s why you stop payments to your creditors and in-

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stead make payments to the settlement company. Those payments go into an escrow account that you control but give the settlement company authorization to use it for the purpose of settling your debts.

“We’ve been talking a lot about the ins and outs of debt settlement, but there are also debt management programs that work a bit differently.”

“Something for everybody, huh?” Jordan asked smirking.

“You could say,” Ellis laughed. “But rather than settling debts, they work to get your interest rates lowered so you can have a lower payment and also get out of debt quicker than on your own. In exchange for lowering payments, the credit card companies will close your accounts and note that you are in a management program. You then agree not to take on any new debt until you complete the program. It’s a different approach but has its uses.”

Jordan asked, “How do I know what program would be right for me? How do I know who the right professional is to talk to? I guess I would want someone who has helped others in a situation like mine before.”

“There are companies licensed in certain states, and some companies are geared more toward negotiating interest rates while others specialize in settlement. It’s really difficult on your own to figure out who to talk to, so that’s why we built a tool to help connect people with a company that could be a good fit for them at DebtReliefCenter.org. You answer a series of questions about your situation, and then you can get a no-obligation quote from a company for your exact situation.” Ellis answered.

There’s that good feeling again!

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“That sounds like a great way to start on this journey. I think I would like to see what a debt relief program could do for me first. I would certainly love to have the peace of mind that I’m doing all I can to put all of this behind me once and for all. It would be great to have a bulldog in my corner fighting on my behalf,” Jordan added.

Jordan then opened up his laptop once more.

He fired up his browser and headed over to: DebtReliefCenter.org.

Once there, Jordan answered several questions about his debt situation along with his email and phone so that he could get a quote. He was then presented with a screen letting him know that they had matched him up with a company they thought was right for his situation.

“Hey, look at that. I got connected to ClearOne, too. That was who worked with Mary, right?” Jordan asked.

“Yes, it is, and they have helped many people we’ve sent their way over the years. What do you see next?” Ellis asked.

“Well,” Jordan said, scrolling, “It’s asking me to continue to a next step where I can get an exact quote online with what a relief program through them would look like. They can pull my credit report online and then give me an exact number for what a new monthly payment would be with them and how long it would take to get out of debt.”

Is that the crick in my neck finally loosening?

“Yep, they have a neat online process that will give you an exact picture before you even talk to someone. Keep in mind that someone will most likely be calling you shortly after, but I would encourage you to continue with the rest of the online process right now. Federal and state regulations require that they speak with

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every person they help rather than doing it totally online, but these next screens will give you a much better sense of what a new reality for you could be.”

Jordan continued through to the next screen, providing the last four digits of his social security number along with his full address and after a minute was presented with a view that showed an exact quote for him.

“Well, this is pretty neat. Remember how my minimum payments for my unsecured debts was \$896? Well, they are saying my new monthly payment would be \$559, and I would be done with all of these debts in an estimated 38 months. It sure would be nice to have an extra \$337 every month for groceries right now.”

Anne is going to flip!

“That’s great Jordan! It looks like they could help in your situation. There are a few things that I want you to keep in mind, though. ClearOne is a debt settlement company, and settlement has its own set of pros and cons. On the positive side, you can get out of debt much faster, especially if you can find extra money to throw at the program. They will also take care of all of the negotiations with your creditors and fight for you.

“Listen up to this next part it’s pretty important,” Ellis urged in his deep voice.

“Now, they will guide you through the process, but you do need to know that creditors could choose to sue you if you stop making payments. It’s unlikely, and ClearOne knows where those risks are, but I want you to be aware of it.

“Additionally, any debts you settle, you will owe taxes on the difference. Let’s say you have a debt for \$10,000 that is settled for \$4,000. Well, the difference of \$6,000 gets added to your income

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that year, and you could owe taxes on that money depending on your specific tax situation.

“There’s also going to be a negative impact on your credit score. Now if you’ve been missing payments already then you already have a lower score, but you do need to know that the process of debt settlement will have a negative effect. A lot of people are concerned with this as we have all been wired to care about our credit scores. But what is the score really? It’s a measure of how well you borrow money, and hopefully, we can get you to a point where you don’t borrow money at all anymore.”

Wouldn't that be something?

“Anyways, there are things you can do to rebuild and repair your credit after the program.

“Now, let me tell you why we matched you up with a debt settlement company. Your unsecured debt was at \$29K if I remember correctly from step two. When amounts owed go above \$20K, we find that settlement is usually a better option than management, but I say ‘usually’ because that’s not always the case.”

“Hmmm that’s a lot to think about. I understand that there’s going to be some cons, no matter what I choose to do. I’m wondering if it’s worth trying to go with a DIY approach then going with a professional if I get frustrated. There’s also something really exciting about having a company work for me so I can focus on some side hustles to bring in more income,” Jordan said.

He'll know what to do.

“Quick question, Ellis,” Jordan asked, “Will I receive a bill from ClearOne ever outside of the monthly payment I would give them?”

“Good question. No, the monthly payment they quoted you is all that you would pay. They can go over the finer details with you,

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but they receive a percentage of the settlement as their fee. They are only allowed to collect the fee when you approve a settlement, they do for you, and they take it out of the escrow account you build up with them.”

“That’s good news,” Jordan let out a long breath. “I’m already strapped and couldn’t imagine getting yet another bill to take care of. It looks like I could get some much-needed breathing room right now and be on a fast track to getting rid of all of this debt.”

“That’s the idea.”

“Okay, hang on I’m getting a call. I think this is ClearOne. I’m going to pick up and get some more information about all this.”

“Sounds good,” Ellis replied.

After Jordan hung up, he had a lot to tell Ellis!

“Well, that was a pleasant experience,” Jordan blurted out. “I spoke with Matt over there, and he really helped me understand the process. He even offered to set up a call later with both Anne and me to talk about any concerns or questions we have together. I really appreciated that. In fact, I’m going to give Anne a call right now and go over what I’ve learned so far and get her up to speed.”

Now, Jordan was the one who couldn’t stop smiling and nodding. “I’m beginning to think that this could be the right path for us,” he said.

“I’m happy to hear that Jordan. You make that call. I’ll keep driving,” Ellis said with a smile.

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Now, It's Your Turn

THE C.A.R.E. METHOD

STEP 3 - REFUSE

Now that you know where you stand with your debt, you are ready to activate the next phase: Refuse. Beginning to pay down debt aggressively is a good idea, but many people miss a step that should come before it. That step is refusing to accept your current terms and calling your creditors to see if you can get more favorable ones.

If credit card debt is a big debt for you, there is good news. Many credit card companies will work with you to lower interest rates or change your terms. You see, they know that if you file for bankruptcy, they get nothing. Their debt with you is unsecured, so they have a vested interest in helping you avoid the nuclear bankruptcy option.

If you are current in your payments, call your creditors and see if they can lower your interest rate. You may be shocked to find out how many creditors are willing to do this in order to keep your account open with them.

They make money when people keep accounts open and carry a balance and are willing to work to keep your account that way. You have more leverage than you realize.

If you are behind on payments or have even gone to collections on some accounts, fear not, you also have a fair amount of leverage.

Why is that?

Late payments and collections accounts are red flags to creditors that you may become bankrupt and raises the risk that they lose the ability to get money from you. **Whenever they sell an account to collectors, they get 10-20 cents for every dollar you owe them.**

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This can work to your advantage in a negotiation as you can negotiate to pay less than the original amount owed, and the collectors will be happy. However, every person's debt load is a bit different, and everything I'm saying here does not apply universally. That said, if you are behind on unsecured debts, like credit cards, you still have the ability to re-negotiate terms to your advantage.

Now, I don't advise picking up the phone right now and calling unprepared. Use the documents we referenced earlier in this chapter as your guide. It will be difficult for you to get someone on the line with you who has the authority to make a change to your account. It's worth it, but I don't want to paint a picture that this is easy. Expect to spend hours on the phone over multiple days and weeks with each company you owe.

If that sounds daunting to you, don't feel bad. It is.

You're negotiating with some of the largest financial institutions in the world, and it is truly like a David and Goliath battle. The odds are stacked against you going into it. However, just as David had his sling that helped him slay the giant, there is a tool you can use.

Professional debt negotiators that do this day in and day out every day have existing relationships with decision makers at thousands of banks and financial institutions. They know when an offer from a creditor is a good or bad one, not overall, but for that exact creditor.

Over the years, they have developed an intelligence database to help them maximize benefits for their clients in any debt negotiation. Oh, and additionally, these professionals are only paid whenever they succeed for their client. It's very similar to a lawyer working on contingency.

You only pay for results.

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In fact, we founded DebtReliefCenter.org to help connect consumers to the right company and specialists for them. In the world of debt relief, there are credit counseling programs and debt settlement programs galore.

Figuring out the right plan for you can be a dizzying process. Your debt types, amounts, and even the state you live in all matter in choosing what is right for you. So, we built a system that learns a bit about your particular situation and connects you to a specialist that we feel is right for your situation.

Then we have arranged with every specialist for you to receive a free consultation that goes much deeper than our initial set of questions. Your specialist can get all your current creditor balances and interest rates for you, help you make a budget, and tell you exactly what a plan for you would look like.

All of this is provided for free, and then you can make the decision to move forward or not.

Even if you are someone dead set on negotiating yourself, you owe it to yourself to find out what it would look like for professionals to do it for you. I always recommend family and friends get a professional quote, and I recommend you do the same.

To get your free debt relief quote start at the following URL on your phone, tablet or computer: DebtReliefCenter.org.

CHAPTER 7:

Never Again

Ellis and Jordan were still on the road nearing Tahoe. The sky was a deeper blue now and stars popped through here and there.

“What did Anne say?” Ellis asked, an eager sparkle in his eyes.

“She said she’s in. She seems relieved that we now have a plan and she’s looking forward to cleaning up this mess. I’m going to call Matt back and ask him to get us going on the program.” Jordan leaned back in his seat. “I don’t think I’ve really relaxed for a long time...”

Ellis nodded, then spoke again.

“I’m happy to hear that, and I know it sounds a bit counter-intuitive, but I’m excited for you both. The feeling of the purpose of conquering something as scary as debt can really bring couples closer together if they’re on the same page. It’s a lack of communication and transparency that rips couples apart. We see it too often with debt as a big catalyst to marriages ending.

“Also remember that you just got a leg up with your credit cards and other unsecured debts, but you still have some auto loans, student loans, and mortgages to deal with. It’s time to come up with your game plan for all of it.”

Ellis glanced at Jordan out of the corner of his eye, “That’s the fun part!”

Jordan laughed and stretched his arms out in front of him. *This vacation will feel like a vacation for the first time in a long while.*

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“I’m ready. Let’s do it.” Jordan replied.

“Okay, but first let me tell you about Ruben and Jocelyn.” Ellis stopped and then said playfully, “You knew I had another story!”

“Well-played, Ellis,” Jordan laughed.

“They had a few degrees between the two of them when they looked up and realized they had amassed \$111,000 in student loans. On top of those student loans, they also had around \$36,000 in loans for furniture, cars, and credit cards. In a word, they were normal.”

Well, how sad is THAT, Jordan thought.

“However, Ruben and Jocelyn both realized that they weren’t going to get ahead in life if they kept this debt around. They happened to have some neighbors who encouraged them to tackle the debt because they had successfully done the same. After some time, they realized that they didn’t want to have to keep making minimum payments for the rest of their lives. They knew they had to make a change and knock their debt out for the future of their family.”

Makes sense to me, Jordan thought, feeling bad for people he had never met. But it seemed like everyone was all interwoven together somehow, with debt being the common denominator.

“After assessing their situation and coming up with a plan, they started the discipline of doing a zero-based budget. They gave every dollar a mission before the month began and put absolutely everything they could against their debt.

“Funny thing was after doing that first monthly budget they realized they only had an extra \$30 above minimums to put toward their debt. This got them a bit down, and in response, they decided to really go hard on their plan.”

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Ellis was growing quite animated as he told this story. His one hand leaving the wheel occasionally to drive home his point. His energy pepped up Jordan, too, who was feeling a little tired after being in the car for so long.

Ellis picked up the pace, his voice matching his passion for what Jordan knew was helping people. “They attacked their debt from both the income and expense side. They slashed expenses everywhere they could. They sold their car and bought a beater. A little while later they then sold a second car and went down to one. They stopped eating out and made a game out of figuring out what meals they could make with the food in the pantry. They stopped getting coffee out, cut expenses like cable, used coupons, and searched for every conceivable way of saving money so they could throw it at their debt.”

Ellis paused and gave Jordan a long look, his eyes crinkling up at the corners. “I just think that’s so admirable.

“Anyhow, then on the income side, Ruben picked up freelance consulting gigs while Jocelyn tutored and baked wedding and birthday cakes. All in all, their combined income was about \$95,000, and three years later, they had paid off all of their debt.”

Jordan’s eyes grew big at that statement.

“I know,” Ellis said. “Our team was pretty impressed with them. When asked what they would have done differently if they had to start all over again, they responded that they would have cut expenses more drastically sooner. They said it was hard to cut at first, but once they saw the progress, they were making it become easier and easier.”

“They really got serious,” Jordan replied.

“Yes, they sure did, and that made all the difference. Do you remember how I had you list all your debts from smallest to largest on the spreadsheet?”

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“Yeah, I’ve got it right here,” Jordan said as he pulled out his laptop and opened the lid once more.

“Okay, the reason I had you list them in that order is because it sets you up for a process called the debt snowball like I mentioned before. The idea is that you list all your debts from smallest to largest. Then you make minimum payments on everything except the smallest debt. On that smaller one, you put every extra dollar you have onto it and get it knocked out as quickly as possible. Then, when the smallest debt is paid off, you take whatever payment you were making on it and add it to the minimum you’re making on the next debt. Your payments will grow over time, and you’ll end up paying off everything pretty quickly.”

“Okay, I get it. Makes sense.”

Why haven’t I thought of that? Jordan gave himself another mental head slap before realizing berating what he had or hadn’t done was a waste of time. It didn’t get him closer to being debt-free that was for sure!

“Good. Now let’s modify your spreadsheet a bit,” Ellis instructed. “Roll all of your credit cards and other debts into one line item, and let’s see what the sheet looks like now.”

Jordan made the necessary modifications and now had a table that looked like this:

Type	Account	Balance	Minimum Payment
Auto Loans	Ford Lease	\$5,280	\$313
Unsecured Debts	ClearOne	\$29,913	\$559
Student Loans	Sallie Mae	\$30,420	\$337
Real Estate	Ocwen Loan Servicing	\$86,240	\$734
Real Estate	Specialized Loan Servicing	\$482,293	\$2,920
Totals		\$634,146	\$4,863

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“It looks a lot simpler combining all of those unsecured debts into one line item, and I see that the Ford Lease is my smallest debt on the list now.”

“Yes, it certainly does. Now, remember how I told you that you need to put as much as possible on your smallest debt first and work your way up?”

“Yeah,” Jordan replied.

“Well, the only way you can know how much you actually can commit to is to begin a monthly zero-based budget.”

“Zero-based?” Jordan replied, the top corner of his mouth twitching a bit uncomfortably.

“Yes. It just means that you plan out a monthly budget BEFORE the month begins and give every dollar of your income a name and a purpose. You and Anne need to be on the same page and commit to a monthly amount for groceries, know what utilities and mortgage will cost you, clothes, haircuts, eating out, you name it.”

Jordan was pretty sure Ellis saw the deer-in-a-headlights look on his face because Ellis continued gently, “But I don’t want you to feel overwhelmed by the concept. I have a trick for this, too.”

Yes, another trick!

“Oh, really? What is it?” Jordan asked.

“Remember how I told you my trick earlier for using CreditKarma.com to assess your situation? Well, my trick here is to use a free app for your phone, tablet, or computer provided by EveryDollar.com. In about 10-15 minutes, you can have your first monthly budget done. They already have line items for all of the usual expenses that a family would encounter, and you can just fill in the blanks. You can use a premium version that you pay

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for if you want and it will do some automated things with your bank, but the free version is more than powerful enough for most people's purposes."

Jordan made another surprised face, and Ellis laughed and said, "Jordan, I am so happy to see you are ready to make this commitment. And I'm proud of you, even if you keep making all those weird faces."

Jordan's eyes watered just the slightest bit. He was really enjoying the flipside of this interaction with Ellis. Anne had been right to suggest approaching her dad.

"I'm not blowing smoke, Jordan," Ellis assured. "Search for 'EveryDollar' in your phone's app store and get it installed."

"Okay, I see it here. Installing," Jordan replied.

"Great. It's a really well-done app that will guide you month by month to make wise money choices."

Right on! Now, we're on the way.

"Cool. Okay, I've got the app loaded now, and I see what you're saying. It shouldn't take long for Anne and me to put together a good plan using it. Thanks for the tip." Jordan said. "You know, I wish I could hug you right now," he said with a chuckle.

"Wouldn't that be awkward since I'm driving?" Ellis joked. They laughed together for a minute, but from Jordan's perspective, he was releasing a lot of stress in that bit of time.

He was pretty sure Ellis knew it, too.

"Now, I want to talk to you about that lease," Ellis pressed.

This is a man on a mission!

"How much longer do you have left?" he asked.

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After logging into the Ford account, Jordan replied. “Looks like 16 more months.”

“Hmmm, you could try to get out of the lease early by advertising on a website like SwapALease.com. Once you get it under 12 months, though, it will be difficult to transfer the lease. I might try it anyway and see if you can get someone to take it over. That would remove the \$5,280 from your snowball in one shot, and that would be nice, wouldn’t it?”

“Yeah, I’ll take a look at that,” Jordan promised. “But, ummmm ... do I just jump in on the snowball or is there anything else I should do before that?”

“Oh right, I’m getting a little ahead of myself,” Ellis said, flipping on the turn signal and changing lanes. He had memorized the way to Tahoe, Jordan knew. “Your first step is to create a starter emergency fund of \$1,000. It’s a small amount to give you a bit of cushion. Later, you’ll want to build a proper emergency fund of 3-6 months of expenses when your mortgage is the only debt you have, but for now, we just want to set aside \$1,000 for any emergencies that pop up.”

Jordan’s immediate reaction was, *how can I do that when I don’t have any money?* Then he slowed his brain down and reminded himself that *we are making a plan and things are going to be different.*

“Keep in mind that you are no longer going to be using credit cards for anything anymore,” Ellis reminded Jordan. “Cut them up and go with cash from here on out. You can’t add new debt when you’re in a settlement or management program anyway, so you need to learn the discipline of paying for everything with your debit card or cash,” Ellis said.

“Just like in the old days,” Jordan teased, trying to coax a smile out of Ellis once more.

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“Watch it, whippersnapper!” Ellis laughed loudly, and Jordan did the same before returning to the task at hand.

He sure is quick with the comebacks, though, Jordan thought with amusement. This trip was changing the way Jordan saw him. He had always intimidated Jordan a little. *But maybe that’s because you always felt you had to turn to him for help with paying your bills?*

In one car trip, Ellis was teaching Jordan to fish.

“Okay, I’ve got some stuff I wanted to sell anyway, and I bet Anne could say the same. We should be able to scrape together that \$1,000 pretty quick.”

Literally hours ago, I’d had no idea that that sentence would even come out of my mouth today.

“Good,” Ellis agreed. “Then yes, you need to attack your debt snowball and really work it. Every dollar you can scrape together should go toward it. Once you’ve paid off everything except your home, you can let off the gas a bit. That’s the time to put that real emergency fund into place and start saving for retirement and Kara’s college fund.

“Which reminds me. I also want to encourage you to tackle that student loan debt aggressively. I bet it has a lower interest rate than your other debts, but don’t let that deceive you. Student loan debts are particularly nasty in that they can’t be removed even in a bankruptcy. They will stick with you for the rest of your life until they are paid off.”

Jordan knew that was true, and Ellis seemed particularly passionate about it.

“There’s been a lot of media coverage over student loan forgiveness programs recently,” he said. “But did you know in 99% of cases people actually didn’t receive the forgiveness they thought they would? This has made their student loan balances balloon as

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many of the so-called, forgiveness programs instructed people to make a smaller payment each month.”

Well, that's horrible, Jordan thought.

“Don’t get caught in this trap or think that the lower interest rate is safer. Kick that student debt out of your life as fast as possible.” Ellis advised.

“Got it. I’ll work on those student loans and hopefully have them tackled quickly as my snowball grows. Wait a sec ... you talked about saving for retirement after my debt is paid off. Shouldn’t I be saving for retirement now? What about an employer match for my 401k? Isn’t that free money?” Jordan asked.

“Yes, you’re right in that it’s free money,” Ellis nodded. “But right now it’s better to throw every dollar you can muster at your debt. All the money you put toward things like credit cards is effectively paying you a 20%+ interest rate. Those are gains that investment professionals would kill for.”

Suddenly, it felt like Jordan was snowballing his way *out of debt ... instead of into MORE debt!*

“Remember, you are going to be on a fast track to getting *out* of debt,” Ellis said, and Jordan’s hopes soared again. *I can get used to this feeling!*

“If you dig deep, I think you can get rid of all of your debt, other than your mortgage, in about two years. Then you’ll be able to start saving for retirement again. It’s only temporary, and we’ve found people have more success when they really lean into paying off their debt as quickly as possible,” Ellis said, he paused to catch Jordan’s eye again. “And how incredible would that be?”

“Whew!” Jordan wiped his hand dramatically across his brow.

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“You got that right,” Ellis confirmed with joy, and Jordan thought, a tinge of relief.

He had been worried, too. And here I thought he was not too fond of me!

Jordan snapped back to the discussion. It was hard not to be excited even though he had only taken the first few steps to get out of the money pit.

Never underestimate hope, Jordan thought.

“I guess that extra money will speed up the whole process and you’re right if this is only for a short period of time then that makes sense,” Jordan said

“Now, Jordan,” Ellis grew serious for a moment. “What about extra income? Are there any other jobs you or Anne could get? Any side hustles? I know that you can always deliver pizzas, drive for Uber, etc., but it would be better if you had some stronger ways of augmenting your income.”

“Hmmmm, that’s a good point.” *Anne and I had JUST talked about this. Weird.*

“I could get excited about doing something like that for a short period of time. Now that you mention it, I could certainly do some consulting work and get the word out that I’m freelancing again. That would bring in more income than something like Uber.

“I’ll also talk to Anne. She’s been talking recently about wanting to get involved in something part-time. Of course, she would rather stay at home with Kara, but I bet she would want to sink her teeth into something, and we could work out a schedule to make it work,” Jordan said. *Anne would insist on helping. She can’t sit still anyway;* Jordan laughed internally, feeling a wave of

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love for her hit. *We are going to do this together.* Suddenly, Jordan couldn't wait to see her and give her a big reassuring squeeze.

"Now it sounds like you're really engaging with the process, Jordan," Ellis said, pulling Jordan out of his daydream with Anne. "I'm excited to see what you and Anne do. I bet you'll be able to put all this behind you faster than you think and really build a solid foundation for your family in the future."

"Boy, does that sound amazing." *Don't cry now;* Jordan scolded himself before gathering his emotions. But the relief he felt was overwhelming. "Hey Ellis, thank you for taking the time to go over all of this with me. I can't tell you enough how much I appreciate it. I was in a really tough place before this trip, but for the first time in a long time, I feel hope, and well, compared to where I was, that's a miracle."

Jordan and Ellis rounded the corner, and the familiar curve of trees set off the cloudless sky in the background. Looking around, the beauty of the place struck Jordan like it always had since he had first ventured here with Anne and her parents. It was like nature had been preserved, and this little spot was an island separate from the rest of the planet.

"My pleasure, Jordan." Ellis reached over and gruffly patted Jordan's hand. "Please reach out to me if you have any more questions or concerns. I'm confident you guys will do great, but it's a marathon, not a sprint and can be tough at times." Ellis replied. "Still," he paused, "I have all the confidence in the world in the two of you. Always have."

He smiled again reassuring Jordan further that he and Anne were about to embark on a smart *and* relieving journey.

"Hey, look. There's the cabin." Jordan said as the roof appeared over a hillside. "Wow, this has been one of the fastest trips to Tahoe I think I've had."

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“It always helps to have good conversation,” Ellis said with a smile.

They pulled into the driveway in front of the lakeside cabin, then got their things out of the car and headed down the walkway to the house.

The door opened, and there stood Caroline with a knowing smile on her face.

“Welcome you two! We’ve been waiting for you. We’ve got a little dinner set out for the hungry travelers.” Caroline said as she gave Jordan and Ellis both a hug. Anne came down the stairwell and gave Jordan a big kiss.

Always so beautiful, Jordan thought as he pulled back from their kiss.

“Jordan smiled and Anne did, too. It was the first time they had really smiled at each other in months. Like we both have our parts of a little secret. The stress of finances and a new child had taken a toll on their marriage, but for the first time in a long time, Jordan was confident that they would get through it and even be stronger for it. And then ... Jordan was proud of them for taking charge, instead of being frozen in worry. That was a nice change.”

Jordan dropped off his bag by the stairs and walked through the house and onto the deck in the backyard. Facing the lake, he took a moment to take in the smell of nearby pine trees and the clean air. Yes, it was going to be okay. All he had to do was engage in the process laid out before him.

Caroline had done a wonderful job, as always with the meal. The scent of roasted chicken and fresh bread mingled with the night air.

That night they all ate dinner under the stars.

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Now, It's Your Turn

THE C.A.R.E. METHOD

STEP 4 - ENGAGE

Well done! You've chosen your "why," assessed your situation and started renegotiating or engaged a professional to do it on your behalf. Now we need to kick this process into high gear. Before that, though, I want to congratulate you. If you have made it to this point in the book, you are one of the few who will beat the odds of debt, find financial peace, and change your family legacy.

I am proud of you.

You should be proud of you.

Remember the debt snowball plan we made earlier? Now is the time to put it into action. If you remember, the debt snowball calls for you to pay minimum payments on all your debts and put AS MUCH AS YOU CAN on your smallest debt.

Well, how do you do that?

First, we need to define how much you can afford to throw at your smallest debt.

The only possible way to do that consistently is to figure out where every dollar you make is going, and then direct it to where you want it to go. This involves planning how you will spend every dollar you make prior to the month beginning.

Remember, how you go about doing this?

You create a budget.

That's right. I said it—the dreaded "b" word. However, I'm going to show you how you can have a working budget within 10-15

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minutes without a Herculean effort on your part. The best budgeting app I have ever seen is *EveryDollar* by Dave Ramsey. Head over to EveryDollar.com to sign up for free on your computer or install the app on your iPhone or Android device.

When you first sign up, you will be given a screen with dozens of categories for you to consider. If you own a home, you'll see a line item for gardening and insurance. There are lines for utilities and groceries. The hard work of thinking of all these categories is done for you, and you can just focus on filling in the blanks.

Here's the goal...

Plan a budget for the next month where every dollar of your take-home pay gets assigned somewhere. You may need to do a little analysis on your checking account to see how much you spent last month on groceries, eating out, and such. Take the time to get everything in this app so that you aren't winging it when next month comes around.

If you find you don't have enough for extra payments on debt, look to the various categories for places you can trim back. This becomes so much easier to do when everything is laid out in a single place. Too often we think *oh, I have money in my checking account so I can buy this*. However, unless you have infinite income, *you are pulling from another category every time you do this*. In this other category are things like your kid's college fund and your retirement, whether you realize it or not. The wise step is to get out ahead of this problem and plan for the next month BEFORE it starts.

There's a lot of truth to what Alan Lakein, author of several self-help books published in the 70s and beyond wrote: "Failing to plan is planning to fail."

The good news is that *EveryDollar* is free to use. They have a premium account that will automatically sync your bank accounts

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for you and help you track transactions more easily for \$99 per year, but it's not necessary to use the app effectively.

Your first step to engage is to get on a budget.

Do it now.

Most people think that a budget will be this annoying nanny that tells you what you can't do. But people who actively engage in this discipline will tell you quite the opposite.

EveryDollar actually gives you the freedom to spend in certain areas because you planned to do it. You don't have to feel bad about buying some clothes if you already planned to spend a certain amount on clothes next month. It's really freeing no longer saying yes to purchases and wondering in the back of your mind if it was the right decision or not.

I can't tell you how many times my wife would ask me about a purchase she was thinking about, and I would just say "sure" and have a voice in the back of my mind telling me *this might not be a good idea this month*.

We no longer have that stress or anxiety. Everything is planned ahead of time, and we just do our best to stick with what we planned.

One thing your budget will point out is where your biggest personal finance issues lie. For some people and families, it's found in overspending in certain categories. For others, it becomes painfully evident that you have more of an income problem. I want you to look at both sides of this coin when you have your next month's budget laid out.

For each category, ask yourself if you can trim back at all. I couldn't believe how much we were spending each month on dining out when I first did this budget exercise. We were quite literally eating our retirement! If you're serious about conquering the debt

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dragon, then see how much you can save in the grocery budget and don't see the inside of a restaurant unless you're working there.

It's up to you to determine how focused you'll be, but in our experience, those who have intense focus have a much higher success rate of breaking free of debt once and for all.

For the income side, start asking yourself *how can I bring home more money each month?*

For some people, this is as simple as picking up as many extra shifts and overtime as possible. Others may consider driving for Lyft or Uber, delivering pizzas, tutoring, babysitting, whatever it takes.

Every extra dollar you make and pay toward your debt yields an amazing return. At the time of this writing, the average revolving credit card interest rate in the United States is 15.32%. So, every dollar you use to pay down credit card debt is giving you a 15.32% return on your money.

That percent return puts you in the category of people who beat the market with investments and beat it handily. The average return of the S&P 500 over the last 90 years is 9.8%. **Paying off your debt is a guaranteed positive return, and the best way to set yourself up for the future.**

After you've set up a budget and analyzed your expenses and income, *I want you to think about things you can sell.*

If you're like most Americans, you owe money on your car, but before we rush headlong into selling it, we need to take a look at the numbers.

As a rule of thumb, you should not have more than 50% of your annual take-home pay tied up in anything with a motor. This includes cars, motorcycles, motorhomes, boats, dune buggies, dirt bikes, jet skis, etc.

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Why do I say that?

Things with a motor in them lose value fast.

The financial word for this is that they depreciate. If you own too many things that are losing value, then your net worth is headed in the wrong direction. The problem gets compounded even worse if you owe money on these things. You can almost never sell the item and get back what you paid for it. This puts you in a tough financial position.

So, add up the current value of every vehicle you own. Divide that number by your annual take-home pay, and if the answer is greater than 0.50, then you need to get rid of a vehicle or maybe multiple vehicles.

You may be wondering *how do I sell something that is worth less than what I owe?* Many people feel they are stuck and then end up doing nothing and keep making those life sucking payments each month. Here's how you overcome that.

First, get on Kelly Blue Book (KBB.com) and find out what your vehicle is worth in a private party sale. Figure out the difference between this number and what you owe. For many, this is usually a few thousand dollars. If you have enough money to cover the difference, then you can pay off the balance when you sell the car.

If you don't, I want you to go to your bank or credit union and see if you can get approved for a personal loan to cover the difference. I don't normally advise taking on debt in almost any situation but if you can find a way to trade a \$20,000 car loan for a \$2,000 personal loan that's a good move that brings you that much closer to being debt free.

Now you may be wondering *what will I drive in the meantime? I need to get to work, you know.*" You are exactly right, but I want you to piecemeal together whatever you can and buy an older car in cash.

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You'd be surprised what \$1,000 can get you sometimes. It's not going to be pretty but remember *it's temporary*. Start saving in your budget each month so in a year you can upgrade to something better. *The key is to pay cash from here on out and not fall into debt on a car again.*

Here's why.

The average car payment in the United States at the time of this writing is \$475. If you were to invest that \$475 a month into a mutual fund with an average 12% rate of return, you would have \$1.6 million in 30 years! *Your car payment is quite literally holding you back from becoming a millionaire.*

I want you to read that again.

Did you do it?

Good. *It's a staggering fact, isn't it?*

It's time to get out of things that cost you money and into things that make you money. Vehicles are just a terrible investment.

You may now be considering becoming debt free by borrowing from your retirement account. Maybe you have an IRA, 401(k) or some other account with enough money in it to pay off all your debt. It's a tempting thought for sure, but a terrible one. Here's why. If you withdraw from a retirement account, you are going to be taxed on the proceeds at your current tax rate. Let's just say that's 25%. Additionally, you are taking money out early so an extra 10% penalty will be levied on whatever you take out. Now, let me ask you. Would you go get a loan at 35% interest to pay off your current debts? No way! That rate is much higher than any interest rate you are currently paying, but that is in effect what you are doing when you cash out retirement early.

I want you to get out of debt more than anyone, but I want you to be wise and smart about it.

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The only exception to this is if you are facing bankruptcy or foreclosure. Both of those things are so negative to your financial future that paying the taxes and penalties is worth it, but other than that avoid pulling money out of retirement at all costs.

Talking about retirement accounts brings me to my next point. If you are putting money from your paycheck into a retirement account each month, stop until all your debt is paid off except your home. This should take 2-3 years max after you've analyzed and optimized your budget. I don't care if there's a match or anything else. Put every dollar you can into getting out of debt. Once it's gone, you can start back up, and you should be saving 15% of your income into retirement at that point.

But for now, and a short while, stop. You need every dollar you can get and paying off your debt is a better investment financially.

Think about it. If you have credit cards at over 27% interest, it's like you were effectively investing and getting a return at over 27% interest, which is phenomenal. It's the best investment you can make, and it's guaranteed.

If you kept paying minimums and didn't pay that debt down, you are going to be assessed that interest. As much as it hurts to stop retirement saving temporarily, do it and use the hurt as motivation to become debt-free sooner.

The next thing for you to do is save up \$1,000 and put it in an account as a starter emergency fund. If you're going to get out of debt and stay that way, then you need to be able to weather storms as they come. This is a small amount for an emergency fund, but you'll have money to grow it after you've paid off your debt. Without payments draining your income each month, it will be much easier to build up an emergency fund in the future, trust me.

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For some, this will be easy and for others very difficult, but you *need* to do it. You need to begin the habit of working toward your financial future, and this \$1,000 is an excellent step in that direction.

If you have money saved up in an account somewhere, or an inheritance coming your way, or any other funds you can use, put as much of it toward your debt as possible and leave \$1,000 behind as your starter emergency fund. **If you don't have any money lying around, then think about how you can generate this \$1,000 by working more, saving, or selling some things.**

This chapter has been incredibly tactical, I know. But I want to address one last question that we hear a lot. “How can I get my spouse on board?” You may be raring to go, inspired and super excited to start budgeting, selling things and making a difference in your financial life, but I want to caution you that your spouse may not be at that place yet. If you go to them with a plan and excitedly tell them that you're going to sell their car, then don't be surprised if you get a ton of push back.

The key is to not start with “what” but start with “why.” Ask your spouse what they would love to do if you guys didn't have any debt payments at all. What is their vision of your financial future? In short, you need to get them to choose a “why” that means something to them.

That's also why I urge you to sit down with your spouse after you have identified your “whys” and look at the truth of your financial situation together.

If you and your spouse have different “whys,” that's okay.

What's important is to get them written down and posted somewhere you both can see them every day. With a strong “why,” your spouse will be much more amenable to figuring out a plan going forward. You'll notice that this book is laid out with “why” first.

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My hope is that reading it will get both you and your significant other on the same page to conquer debt and set you up for an amazing financial future together. Consider giving them this book after you read it/listen to it.

I would also encourage you to go through a personal finance course together. Money affects every area of our lives and can bring joy or incredible stress. Programs like Financial Peace University can do powerful things in a marriage that is plagued by financial stress.

I strongly recommend going through a course like FPU together. You can learn more about the program and sign up for a class near you by visiting: DaveRamsey.com/FPU.

At this point in the book, I want to offer you another congratulations! You now have a 4-step method that will take you out of debt and bring you closer to your financial dreams.

I want to encourage you to take action and engage in this process with everything you have.

It is worth it, I promise you.

And when you're finally out of debt, I'm betting that you will never want to go back.

Here's the order you should take in engaging with your plan.

1. Start a monthly budget at EveryDollar.com.
2. Save up a \$1,000 starter emergency fund.
3. Pay off all debt except for your mortgage. Stop retirement and investments but strive to be debt-free (except for your home) within 24 months.
4. Save up a true emergency fund of 3-6 months of your family's expenses.

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5. Save 15% of your income for retirement.
6. Accelerate your payments on your home and knock out your mortgage.

THIS IS HOW JORDAN'S LIFE CHANGED AFTER ONE YEAR...

The muted sounds of playing preschoolers made their way from the backyard to the kitchen as Jordan stood over the sink, washing an enormous pile of strawberries. It was a year later, and in many ways, his life (and child) were unrecognizable!

Kara had accomplished so many milestones in that time. She was walking and babbling up a storm.

Sunlight broke through the bay window in front of Jordan, and he smiled as he heard his daughter and her friends laughing and hollering outside. Jordan shook off the last bit of cold water on his hands and dried them on a towel before picking up the large serving plate of strawberries and walking into the dining room. He had placed the dish on the table to add to the spread when he heard the slider door open and footsteps approaching.

“Anne really went all out on this party, didn't she?” Ellis said to Jordan with a welcoming smile.

“Yep, she sure did. Putting on Cinderella-themed birthday parties is her love language, I think.” Jordan replied with a chuckle.

“Hey Jordan, I've been meaning to get the lowdown from you and really find the time to talk. How are things going? I know we talk here and there, and I know you and Anne are digging out, but I want details!” Ellis clapped Jordan on the shoulder with a big

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grin. “It’s been a little over a year now from our drive to Tahoe if I remember correctly.”

Had it been that long?

“You know, it’s been going pretty well,” Jordan answered. “We’ve been sticking with our EveryDollar budget and have been aggressively working through our debt snowball you helped me put together. Since the last time we talked, I’ve actually settled four of the six unsecured debts I put in the program. ClearOne has been a very helpful guide, along with being excellent negotiators,” he replied. “That was a load off and not as scary as I thought it would be.”

“That’s great to hear. What about the car lease you had?” Ellis prodded.

“I got out of it with [SwapALease.com](https://www.swapalease.com). It took about a month to do the deal, and we ended up paying the new lease owner \$500 to take it over, but that debt is completely gone. Also, it worked out well because my grandfather had a car; he was no longer using and gave it to us. That has been a godsend,” Jordan said, rocking back on his heels and feeling good and loose.

“Perfect timing, too,” Ellis acknowledged. “You were able to get rid of that line of debt and still have a mode of transportation without going into debt again or spending any money,” Ellis replied. “Nice work,” he beamed.

“Yeah, it’s been really awesome actually. Of course, the car is close to 20 years old and has 120,000 miles on it, so I don’t know how long it will last,” Jordan laughed. “But I’m happy to take care of it and nurse it for as long as we can,” Jordan said.

“What about your student loan?” Ellis asked.

“We’ve been making the minimum payment on the student loan while we attack the remaining unsecured debt. When we first

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started, we had \$29,913 in unsecured debt, and that number is now at about \$15,000. I've been looking ahead and think we'll be done with it in about a year or less, and then we'll shift focus to kick Sallie Mae out of the house and get that student loan out of our lives."

As the words left Jordan's mouth, he couldn't believe it. *Sallie Mae was getting evicted!* He did a little internal dance. *That's one loan I never thought I'd see the end of.*

"ClearOne originally quoted me as the process taking about 38 months," Jordan shared. "But I've really shortened that timeline by working extra jobs. As you know, I started consulting again and put all of the money I made from that directly at the debt. I even delivered pizzas for a little while, too, remember? That was kinda fun, actually."

Ellis smiled encouragingly.

Jordan continued, "Then you remember Anne was also able to start substitute teaching and doing some other part-time work. So, we threw all of her income at the debt as well. We both decided we wanted to get intense in this process and speed it up as much as possible, and it's really paying off. In fact," Jordan told him with a sly smile. "It's become almost like a game."

"Well done! It seems like you're really going all-in and engaging with the plan," Ellis smiled brightly. "You can probably start to imagine what life will be like without any debt payments, can't you? What are you and Anne most excited about when you'll be done with this journey?"

So much, you have no idea, Jordan thought.

To Ellis, Jordan said, "You're exactly right. I personally went from a place of embarrassment and despair to hope. I can see the light at the end of the tunnel, and I'm no longer worried that it's

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an oncoming train. Instead, I know that it's a better financial place for our family. I'm running toward that light as fast as my legs will take me."

"I told you it's a marathon, yes, indeed," Ellis affirmed.

"You know it," Jordan replied. "Anne and I have continued discussing this at length, but we're so excited to be able to have enough cash set aside so Kara, and any future children, can go to college debt-free when the time comes. We're also excited to someday soon be able to financially support a school for disadvantaged children in Kenya with MissionNow.org as well as a local organization called Joni and Friends that supports disabled children and families. Being out of debt enables us to be able to do all of these things, not only for our family but for other people."

A year and some change ago, I couldn't picture being out of debt. Now, I'm talking about donating to other people! Life sure is a roller coaster sometimes.

Jordan grew somber and admitted, "You know, Anne and I had so much stress about finances before this process. It took a toll on our relationship, but now we find ourselves dreaming about a better future together, and I think having those strong motivations together is what is really propelling us forward. We're not there yet, but we are better together than we have ever been."

"I could tell something was up," Ellis said. "A father knows," he shrugged.

Jordan nodded, suddenly, unable to speak again.

"Thank you again for all your help in getting us going in the right direction, Ellis. And for all the times you did bail us out before our plan," Jordan said. It was hard to get the words out. He wanted Ellis to know how grateful he was and "thank you" just didn't seem adequate.

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Ellis grabbed Jordan in a big bear hug and said, “It’s, my pleasure.” Then he released Jordan, who thought *am I imaging things or are his eyes a little shinier than usual?*

Ellis cleared his throat and said, “I always get such a kick out of seeing individuals and families get on a better financial path. Especially you and Anne.”

Then he resumed his fatherly tone “It’s not a sprint, Jordan. Remember that. It’s really a marathon, and from what you’ve told me I’m confident that you and Anne will get to that better future together and *be* the better for it. Remember Jordan, I’m always available, along with the entire team at DebtReliefCenter.org, if you encounter any hurdles along the way or just want a sounding board,” Ellis replied.

“Thanks. I’ll definitely keep that in mind.”

“Let’s chat again soon,” Ellis suggested. “Just you and me.”

“You bet,” Jordan told him with a smile.

“Well,” Ellis said, “Time to liven up this party!” He turned and headed out to the backyard where a group of two-year-olds was laughing and playing Cinderella-themed games on the grass. Jordan felt tears well up in the corners of his eyes as he realized how truly helpful Ellis had been in his life. Sure, Anne and he were doing the hard work, but if it wasn’t for Ellis, they might have never started on this debt-free journey. And he wasn’t sure where he and Anne would be. When you come from a dark place of stress and depression, getting a taste of hope and light renews the deepest parts of your soul.

Feeling renewed, Jordan wiped the tears from his eyes, took a deep breath, grabbed the bowl of strawberries, and headed out into the light of the sunny backyard.

THE FUTURE

CHAPTER 8:

The C.A.R.E. Method

(The 4-step plan to get you out of debt.)

When people change their focus from making money to serving more people, the money takes care of itself.

—Michael Taggart

STEP 1 – CHOOSE

It's time to uncover your most powerful motivators that will push you through to success on a debt-free journey. It starts by you looking in the mirror and saying, "THAT'S IT! I'VE HAD IT! I CHOOSE!" And, you choose to finally get out of debt once and for all.

That's empowering.

Here's the good news; this first step has nothing to do with math or finance. You don't need to pull out a calculator or spreadsheet. All I want you to do is consider, "*Why*" do you want to get out of debt?

Here's some better news: *there's no right answer.*

What's important is that you have reasons that mean something to you. It's a little like identifying your "why." Keep in mind that if your reason is not a strong one, then the chances you're going to follow through on your plan and do whatever it takes to correct your situation are less likely.

THE C.A.R.E. METHOD

Getting out of debt is just like doing anything else that matters. It requires discipline to follow a specific plan that's been proven to create results. It requires a willingness to keep going when things get uncomfortable.

Here's what I know; life is going to bring many ups and downs, good times, and bad. After having the privilege of helping so many people, we've found that THE SINGLE MOST IMPORTANT "key" to your success, is having a powerful motivating cause, and a reason WHY you're going to change things.

Maybe you want to be a better father or mother to your children. Maybe you want to pay for your children to go to college or you want to care for an ailing family member. Or, maybe, you want to generously support a cause that you are passionate about.

Search yourself. Find your reason(s). Write them down. Then tape that piece of paper up on your bathroom mirror, office wall, or someplace else where you will see it, and be reminded of it, every-single-day.

STEP 2 – ASSESS

In this step, you will see your exact debt picture of who you owe, how much you owe, and what your minimum payments are.

This will be your roadmap that you will use to clarify a simple debt-relief path and leave confusion and overwhelm behind.

Imagine a knight trying to slay a dragon ... blindfolded. It certainly wouldn't end well for the knight, or you. You cannot defeat a monster that you cannot see. And if you are playing the ostrich game, you will never see the scope of your debt ... or the way out. In this step, you're going to learn a trick to make the "assessment" process extremely easy.

GOODBYE DEBT, HELLO FUTURE

All we're trying to do at this point is just get clarity about, "where you are now." To do this, you lay out all your debt in black and white. If you're not digging the paper idea, you can use a spreadsheet like I did. The key is to see how things *really are*. Not worse than they are. Not better than they are. You just want the facts.

The majority of people we help on a daily basis don't know exactly how much they owe in their different categories of debt. If that's you, don't feel bad.

You're not alone.

The good news is that it's easier than ever these days to assess your situation and see the hill you need to climb. There are different strategies to deploy for different types of debt, and it all starts with getting everything out in front of you first.

It starts with giving your finances tender, loving, C.A.R.E., of course!

STEP 3 – REFUSE

Many people don't realize they have choices when it comes to their debt.

The Refuse step provides you with a strategy that optimizes your particular debt-free journey. You will learn how to negotiate with creditors or have professionals do it on your behalf. You have the right to refuse your terms, monthly payments, and outstanding balance, and creditors have an obligation to adjust your debt.

Most people don't realize that you can actually negotiate better terms on different types of debt. This is a crucial step to shortening your timeline to becoming debt free. In the following pages, we'll go over the various strategies to do this as well as professional services

THE C.A.R.E. METHOD

that can negotiate on your behalf (and you only pay if they are successful).

It's important to note that different types of debts are easier to negotiate better terms for than others.

Secured debts like mortgages tend to be pretty difficult to move, but unsecured debts like credit cards, store cards, personal loans and medical bills are typically easier to adjust. Often you can reduce interest rates, change terms, or even settle the debt for a smaller amount.

In the chapter on “Refuse,” we go over strategies and tools to help you be successful in negotiations.

Don't just accept the status quo of whatever your debt situation is.

The worst that a creditor can say is “no,” but it never hurts to ask.

STEP 4 – ENGAGE

When you Engage, you take the easy actions you need to take to create your financial freedom. This is where you put your newly learned knowledge to use to improve your life.

In this last step, we go over different aspects of how to successfully complete a debt-free journey. It's crucial to take the right first steps, but it's even more crucial to follow through with your plan.

We cover budgeting, timelines, retirement accounts, auto loans, emergency funds, and other topics to best arm you for the road ahead.

GOODBYE DEBT, HELLO FUTURE

Becoming debt-free doesn't usually happen overnight. The predictor of whether this plan will work for you is in how consistently you engage with a plan.

You can do this.

I believe in you.

Sure, the process will require energy, time and focus, but if you've been physically, emotionally and spiritually beat down by debt you're about to experience a renewal! You're about to spend less time worrying about debt and all of your time conquering it.

That's pretty thrilling.

To take your first step toward financial freedom, just visit GoodbyeDebtHelloFuture.com.

CHAPTER 9:

Your Financial Freedom Formula

Financial freedom is available to those who learn about it and work for it.

—Robert T. Kiyosaki

We're making this part as easy as possible for you.

To get on the path, all you have to do is...

1. CHOOSE your “why” and write it down. Why do you want to get out of debt? What motivates you deeply?
2. ASSESS your situation by figuring out exactly what you owe and putting it in the snowball worksheet.
3. REFUSE to accept your current debt situation and fill out the free assessment at DebtReliefCenter.org to find out what a negotiation could do for you.
4. ENGAGE with the plan you have laid out and aggressively work it.

This 4-step process is not necessarily easy, but it's so worth it.

Imagine waking up one day and realizing your debt is gone ... you don't owe anybody a dime. The feeling is indescribable.

I can't wait for you to feel it for yourself.

CHAPTER 10:

You're Not Alone

Alone, we can do so little; together, we can do so much.

—Helen Keller

Get started on a new debt-free reality with the support from debt survivalist experts and people just like you. This is a journey that requires commitment and can feel long, and there is no better way to get the help you need all along the way.

To join our support group, please go to: <http://bit.ly/good-byedebtgroup>.

HERE'S YOUR DIPLOMA!

If you've made it to this page, congratulations!

You've not only determined how to become debt-free but also learned exactly what you need to do to protect your family, reduce your stress and leave a legacy of abundance for the people you care about.

It may take a little bit of time to actually “implement” what you've learned in this book, but just take it one step at a time.

There's no need to get overwhelmed. We are here for you to help you attain your debt-free freedom!

A bit of focus today can provide invaluable peace of mind for you and your family.

Now, let's get going.

Complete your free assessment at DebtReliefCenter.org.

FREE RESOURCES

We've covered a variety of tools and resources throughout this book, but I want to give you one more, so you are truly prepared for battle.

After helping millions of people over the years, we've heard many stories and seen a lot of different situations. No matter what you are facing, we can help you on your journey.

To access these tools, go to GoodbyeDebtHelloFuture.com.

You might be trying to manage any one of these situations...

COLLECTIONS BATTLE PLAN

You need to know what your rights are in a collections situation. If one or more of your debts has been sold to debt collectors, you need a battle plan to learn what rights you have and how best to deal with these collectors.

CREDITOR BATTLE PLAN

As mentioned earlier in the book, there is an art and a science to negotiating terms with creditors that you owe money to. Arm yourself for battle with these negotiations and understand the best way to play the game and win.

YOU'RE NOT ALONE

CREDITOR CALL LOG

When negotiating with creditors, it's important to keep a log of who you talked to and what they said. Through the link below, you can access a worksheet to help you remember all the people you have talked to and what has been talked about.

DEBT FREEDOM ROADMAP

Grab your visual roadmap to help you move from one stage to the next on your debt-free journey. This is a visual aid that can give you clarity into your path ahead.

DEBT PAYOFF WEEKLY ACTION CHECKLIST

There are so many great things to do when working your way out of debt. Our checklist will show you what you've done already and what good things to do next.

DEBT SNOWBALL WORKSHEET

If you would like to print out a sheet of paper that's already set up for the debt snowball, then this worksheet is for you. Print it out. Fill it out. Then work the snowball!

FAMILY BUDGET WORKSHEET

Maybe you would rather use paper than an app like EveryDollar. If so, download and print out this budget worksheet. We've included the most common household expenses so you can get set up with a zero-based budget in about 10 minutes.

GOODBYE DEBT, HELLO FUTURE

CREATING A LIFE OF FINANCIAL FREEDOM

This is a great guide written by my co-founder Walter Burch. It doesn't just cover debt. It also covers credit reports, scores and how the credit card industry really works. This an excellent resource to educate yourself on the way debt works and how best to free yourself from its traps.

HOW TO DEAL WITH REAL-LIFE SCENARIOS AND SENSITIVE QUESTIONS

How should you talk to your kids about debt? What are good ways to respond to friends who don't understand why you aren't going out as often? This resource gives you answers and the ways to deal with these real-life questions and others.

QUESTIONS TO ASK A DEBT RELIEF PROVIDER

We talked about different types of debt relief providers in this book. This resource gives you questions to ask any debt relief provider that you are considering working with. You have rights, and there are regulations that protect you. It's important to make sure that you are working with a reputable provider.

UNDERSTANDING YOUR CREDIT SCORE

This resource will help you understand your credit score and report. You will learn how a FICO score is calculated among other helpful information to help you navigate the credit game correctly.

FREE RESOURCES

“WHY” CARD

This is a card that you can download, print, fill out, and put up on your fridge or some other place where you'll see it every day. The front simply has this question: “If you didn't have a debt payment in the world, what would you love to do?” The back is open for you to write on or to draw your reason for wanting to get out of debt. Get creative and put something on this card that will motivate you through a successful debt-free journey.

To access these tools, go to GoodbyeDebtHelloFuture.com.

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“I can do all things through Christ who strengthens me.”

—Philippians 4:13

ABOUT THE AUTHOR

Michael is the proud husband and father of three beautiful girls and lives in Simi Valley, CA.

He is a co-founder of [DebtReliefCenter.org](https://www.DebtReliefCenter.org) and a network of debt relief sites, helping millions of people with plans for how to overcome tens of billions in consumer debt.

As a graduate of a debt relief program himself, he is not only a founder of the company, he is a client.

Michael is passionate about guiding people along the path to help them achieve a debt-free future.

In addition to personal finance, Michael loves cooking, golf, marketing, artificial intelligence and unicorns.

