

Debt Repayment Help

Debt Repayment made Easy!

The FREE eBook
by

Clive Watson

Founder & Developer

Debt Repayment Help
Debt Repayment Made Easy!

<http://www.debtrepaymenthelp.com>

Revision: December 2011

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Is your credit report
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Welcome to the FREE Debt Repayment Help eBook

Thank you for downloading my FREE Debt Repayment Help eBook. It has taken many months to produce and has been done so through Personal experience of Financial Hardship.

Over the past 5 years, I have successfully negotiated with over 100 Creditors and Debt Collection Agencies to come to some sort of Debt Repayment Plan for Debts totalling over £60k, owed by both myself and my Partner.

The majority of this Debt has been rendered "Written Off", either through Unenforceability, a formal Debt Solution or from reclaimed Interest & Charges as well as compensation due to Creditors and Debt Collection Agencies breaching the Office of Fair Trading Debt Collection Guidelines.

The minority of my Debts, which now form the majority, are being repaid with Interest Frozen, Charges Frozen and at an affordable monthly amount as dictated by income in a method widely accepted in the Courts of Scotland, England and Wales.

In fact, using my uniquely developed Financial Statement and Debt Negotiation method, which has had input from Industry level Professionals, I have a 100% success rate in agreeing a Debt Repayment Plan with my Creditors that has stood strong in the Scottish Courts.

I will admit, it was no easy task and took lots of work. However, the work I have conducted over the past 5 years, I have used to publish this eBook on how I managed to deal with my Debts and come to an arrangement that will see myself, and my Partner become Debt Free in 3 years.

This eBook is not about Debt Avoidance; it is about repaying your Debts, in order for your Creditors to update your Credit file to show your Debt as settled.

The methods that I explain, will help you to pro-actively manage your Debts and give you the confidence to negotiate directly with your Creditors, cutting out the middle-man, potentially saving you £1,000's and repaying your Debts sooner.

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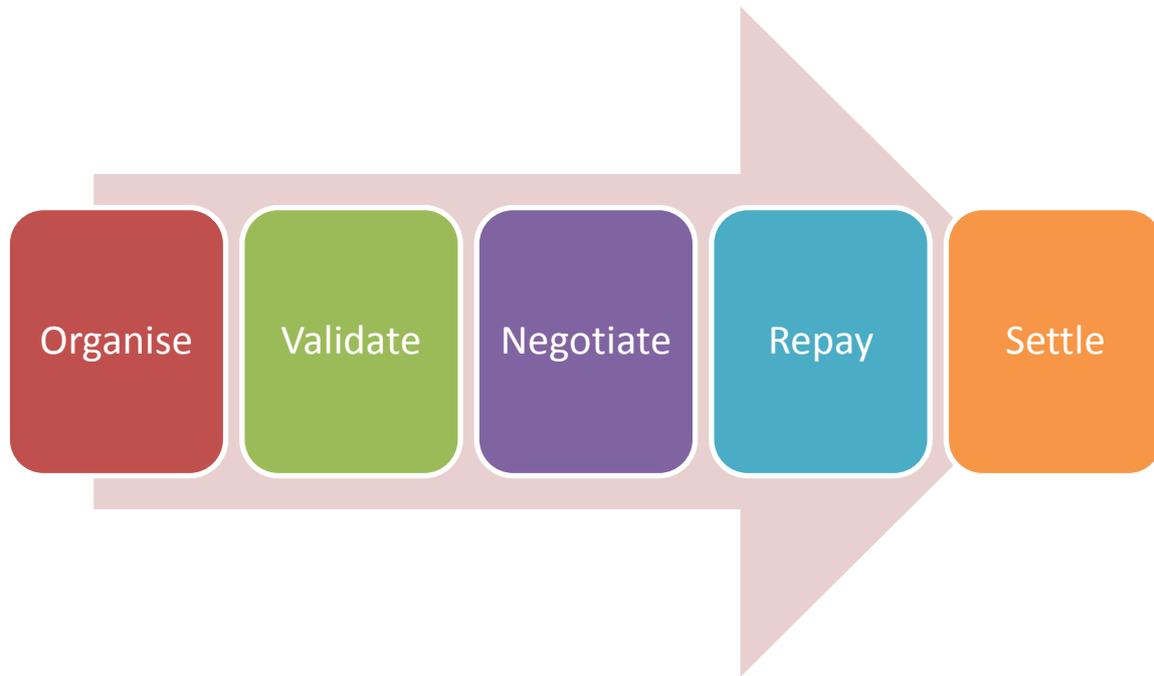
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Doing so ensures that the latest version of the eBook is always available.



The advertisement consists of a horizontal banner. On the left, there is a yellow 'Donate' button above logos for MasterCard, American Express, VISA, and DIRECT Debit. The main text of the banner asks 'Is your credit report holding you back?' in a large, bold, dark blue font. To the right of this text is a red button with white text that says 'FREE 30-DAY TRIAL' followed by a right-pointing arrow. Below this button, in smaller text, it says '* New customers only. Monthly fee applies after trial'. On the far right of the banner is the 'CreditExpert' logo in blue, with 'from Experian®' written below it in a smaller font.

Clive Watson's 5 Stage Debt Repayment Method



Organise your Debts

First thing is first! Before we can realistically make a repayment proposal that we can both afford and sustain, we need to organise all of your Debt: Bills, Priority Debts, Non-Priority and Court Fines.

Validate your Debts

In the event that you have been the unwitting victim of fraudulent activity or actions from an unscrupulous Creditor, this Stage will help you to validate the Enforceability of your Debts that are regulated by the Consumer Credit Act.

Negotiate your Debts

Having previously validated your Debts, this section aims to clarify the Status of your Debts in relation to Interest, Charges, Credit File status as well as coming to an affordable monthly repayment agreement. We will also discuss the potential you have for any PPI claim that you can offset against your total Debt.

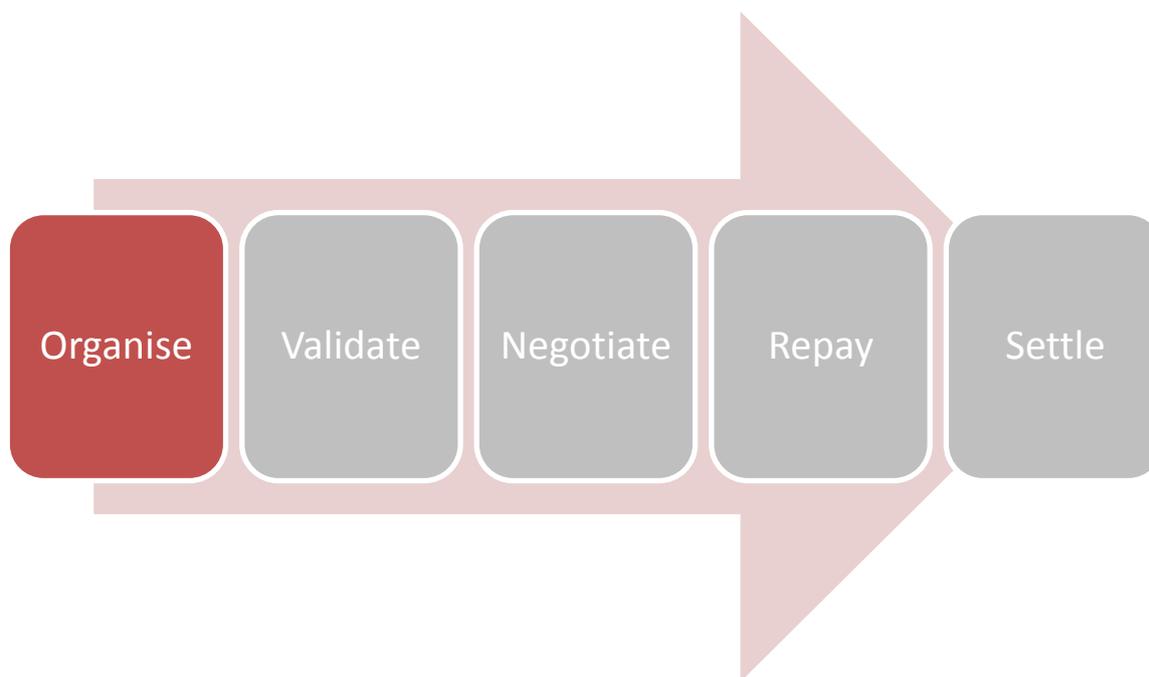
Repay your Debts

In this Stage, we will look at the Debt Repayment methods that you can adopt to settle your Debts sooner and to reach the final stage of Settlement and being Debt Free.

Settle your Debts

In this Stage, we will look at negotiating Full & Final Settlement of your Debts to reach your goal of being Debt Free!

Organise your Debts



Objectives

The main objectives of this Stage are to:

- Organise your Debts into Priority and Non-Priority,
- Input details into **DebtCalc™**,
- Decide whether this repayment method is suitable for you.

Organise Priority & Non-Priority Debts

Collect all of your Debt letters and sort them into two piles using the table below in Figure 1 as a reference guide:

Priority Debts	Non-Priority Debts
Council Tax/Water Charges	Benefit Overpayments
Court Fines	Credit Cards
CSA Payments	Doorstep Loans
Gas/Electricity	Overdrafts
Hire Purchase/Conditional Sale	Personal Unsecured Loans
Rent/Mortgage Payments	Social Loans
Second Mortgage/Secured Loans	Store Cards

Figure 1: Priority & Non-Priority Debt examples

You will notice that I have included Social Loans & Benefit Overpayments in the Non-Priority Debts section. You can include these in this sort of Debt Repayment Solution providing that there are no formal enforcements in place. You will normally find the HMRC are very helpful when negotiating your Debt Repayment with them. Remember, you can't give someone what you don't have!

Input Details into DebtCalc™

In this section I will explain to you how to enter all of your Debts into **DebtCalc™** to help you to decide whether this Debt Repayment Solution may be suitable for your situation.

DebtCalc™ will have been included with the FREE eBook download. If you do not have this, then please visit my site to obtain the latest copy.

When you open **DebtCalc™** you will be presented with the main page as shown in Figure 2 below. Click the **START** button to begin.

The utility will be regularly updated, therefore, register for our Newsletter or check the website to make sure that you are using the latest version.

Debt Repayment Help

Debt Repayment made Easy!

DebtCalc Utility v1.0

The DebtCalc Utility will help you to evaluate whether the 5 Stage repayment method I describe in my FREE ebook, downloadable from my website, is a viable solution to your Debt Problems. Click the **START** button below to get going...

Clive Watson

Founder & Developer
Debt Repayment Help

<http://www.debtrepaymenthelp.com>

This Debt Repayment Method is not suitable for you if:

- o Legal Action has been brought against you,
- o You are already in a Formal Debt Repayment solution,
- o You have Mortgage Arrears,
- o You are anyway in doubt whether you can manage your Finances.

CONTACT SUPPORT: Clive.Watson@debtrepaymenthelp.com

Please note: This is for reporting Bugs & Issues only. I cannot and will not offer Debt advice.



Figure 2: **DebtCalc™** Main Page

Income Assessment

The Income Assessment page, shown in Figure 3 below, is where you are required to enter all of your income details. Don't worry, no information is passed to me in any way as the data you enter is kept locally on your Computer.

Income Assessment

Please fill in the Income Assessment which will allow you to see if my Debt Repayment Method may help you.

Employment Income	Income Amount	Deposits per Year	Pro-Rata Monthly
Wages & Salary	£1,500.00	12	£1,500.00
Wages & Salary of Partner	£0.00	0	£0.00

Other Income	Income Amount	Deposits per Year	Pro-Rata Monthly
Other Income	£0.00	0	£0.00
Other Income of Partner	£0.00	0	£0.00

Income from Benefits	Income Amount	Deposits per Year	Pro-Rata Monthly
Carer's Allowance	£0.00	0	£0.00
Child Benefit	£0.00	0	£0.00
Child Support	£150.00	12	£150.00
Child Tax Credit	£0.00	0	£0.00
Council Tax Benefit	£0.00	0	£0.00
Disability Living Allowance	£0.00	0	£0.00
Housing Benefit	£0.00	0	£0.00
Incapacity Benefit	£0.00	0	£0.00
Income Support	£0.00	0	£0.00
Job Seekers Allowance	£0.00	0	£0.00
Statutory Sick Pay	£0.00	0	£0.00
Pension	£0.00	0	£0.00
Pension (Partner)	£0.00	0	£0.00
Working Tax Credit	£0.00	0	£0.00



Figure 3: Income Assessment

Enter your Income into the **Income Amount** column and enter the **Deposits per Year**. For example, if you are paid your Salary monthly, you would enter the number 12. If you received your Salary on a weekly basis, you would enter 52 in here. This is so that we can calculate your Income in a Pro-rata basis as displayed in the **Pro-Rata Monthly** column.

The reason we do this is to average out your Income (and Expenditure) over the year as some months have more weeks than others. This is also the method used in the Courts of Scotland, England and Wales as well as throughout the Debt Industry.

Once you complete your Income Assessment, click on the **NEXT** indicator to proceed to the Expenditure Assessment. Should you wish to go back to the first page, then simply click on the Back indicator.

Expenditure Assessment

The Expenditure Assessment, shown below in Figure 4, is designed to Budget your finances. You will notice that there may be a difference in what you pay out to what is included on the Expenditure Assessment. For example, you won't see items such as Sky TV, Lottery Tickets and Nights out on the razz!

This is due to the simple fact, that this is designed to help you budget and prioritise the payment of your Debts. If you included the items above, the Creditor would simply reject your proposal.

As with the Income Assessment, simply enter your Expenditure in the **Outgoing Amount** column, the number of payments you make per year in the **Payments per Year** column and the system will calculate the Pro-rata monthly amount for you.

Expenditure Assessment

Please fill in the Expenditure Assessment which will allow you to see if my Debt Repayment Method may help you.

	Outgoing Amount	Payments per Year	Pro-Rata Monthly
Housing			
Mortgage & Rent	£510.00	12	✓ £510.00
Second Mortgage	£0.00	12	✓ £0.00
Council Tax	£150.00	10	✓ £125.00
Utilities			
Coal	£0.00	0	✓ £0.00
Electricity	£60.00	12	✓ £60.00
Gas	£60.00	12	✓ £60.00
Oil/Parafin	£0.00	0	✓ £0.00
Telephone(s) inc. Mobiles & Internet	£35.00	12	✓ £35.00
Water Rates	£0.00	0	✓ £0.00
Child Care			
CSA Payments	£0.00	0	£0.00
Nanny Fees	£0.00	0	£0.00
Nursery Fees	£0.00	0	£0.00
School Meals	£40.00	12	! £40.00
Household			
Groceries	£250.00	52	✗ £1,083.33
Maintenance	£0.00	0	✓ £0.00
Pets	£0.00	0	✓ £0.00

	Outgoing Amount	Payments per Year	Pro-Rata Monthly
Insurance			
Boiler/Home Emergency	£12.95	12	✓ £12.95
Building & Contents	£15.00	12	✓ £15.00
Income Protection	£0.00	12	✓ £0.00
Life & Endowment	£13.00	12	✓ £13.00
Vehicle Costs			
Breakdown Cover	£0.00	0	✓ £0.00
Fuel	£200.00	12	✓ £50.00
Higher Purchase	£0.00	0	✓ £0.00
Insurance	£13.00	12	✓ £13.00
Maintenance	£12.50	12	✓ £12.50
MOT	£42.00	1	✓ £3.50
Parking Fees	£10.00	52	! £43.33
Road Tax	£45.00	1	✓ £3.75
Miscellaneous			
Clothing & Shoes	£30.00	12	✓ £30.00
Court Fines/CCJ's	£0.00	0	£0.00
Education Fees	£0.00	0	✓ £0.00
Hairdressing	£20.00	12	! £20.00
Medical Expenses	£0.00	0	✓ £0.00
Public Transport	£0.00	0	✓ £0.00
TV License	£12.37	12	✓ £12.37





Figure 4: Expenditure Assessment

As the Expenditure Assessment has to be viable to your Creditors, you will see indicators placed next to the Pro-rata calculation. You can use this as a guide to give you a higher chance of having your proposal accepted.

The calculations used are in line with the Debt Industry "Trigger Levels". These values have also been proven to work in real life examples – such as in my experience.

Be aware though, that the indicators are exactly that – indications of a possible issue/non-issue with the value you enter. Everyone's circumstances are different and as such, the amounts you enter must be honest, and within reason. An example of within reason would be that a Single Adult claiming £100 per week for Groceries would be excessive, whereas, if they were claiming to spend £100 per week on Groceries for two Adults or an Adult and Two Children, then this amount would be ever more viable.

What I am saying is, use caution and be reasonable when entering figures. I have put a brief description of the indicators below. Please also note that some of the fields do not have indicators. This is due to being out of the scope of what the Industry can tell you to pay i.e. Creditors cannot tell a Court that you are paying too much towards your fine – although I would like to see them try!

Caution Indicator (!): You may be required to justify the amount. This is not to say that the amount you entered is unreasonable, but you may be required to provide justification to the amount you are spending in this category.

OK Indicator (✓): The amount you entered looks to be reasonable and is within Industry Guidelines.

Re-assess Indicator (✘): The amount you entered may be rejected by Creditors. This may not always be the case, although the Creditor may see this amount as being excessive as it is out with Industry Guidelines.

Debt Assessment

In the Debt Assessment section of the utility, shown below in Figure 5, you should enter all of the relevant details about your Debts. Remember, this information is stored locally on your Computer; therefore it is not possible for Creditors or Debt Collection Agencies to access this data.

Also, NEVER SEND THEM A COPY OF YOUR DebtCalc™ utility!

Debt Assessment

Please fill in the Debt Assessment which will allow you to see if my Debt Repayment Method may help you.

Debt Friendly Name	Loan Type	Creditor/DCA	Account Balance	% Total Debt	Original Monthly Payment	Proposed Monthly Payment
My Personal Account	Overdraft	A Bailed out Bank	£645.22	6.21%		£19.10
My Personal Loan	Personal Loan	A Bailed out Bank	£4,789.25	46.13%		£141.75
Our Joint Account	Overdraft	Big Bad Bank	£875.00	8.43%		£25.90
My Credit Card	Credit Card	A Credit Card Company	£640.00	6.16%		£18.94
HMRC Tax Credit Overpayment	Benefits Overpayment	HMRC Inland Revenue	£3,265.20	31.45%		£96.64
Mobile Contract	Contract Termination	CarMobile Warehouse	£167.00	1.61%		£4.94
	<input type="text" value=""/>		£0.00	0.00%		£0.00
	Benefits Overpayment		£0.00	0.00%		£0.00
	Catalogue		£0.00	0.00%		£0.00
	Contract Termination		£0.00	0.00%		£0.00
	Council Tax Arrears		£0.00	0.00%		£0.00
	Credit Card		£0.00	0.00%		£0.00
	Overdraft		£0.00	0.00%		£0.00
	Personal Loan		£0.00	0.00%		£0.00
	Rent/Mortgage Arrears		£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00
			£0.00	0.00%		£0.00



Figure 5: Debt Assessment

Enter a **Debt Friendly Name**, a unique name that you will affectionately use to refer to this Debt.

Select a **Loan Type** from the dropdown box.

Enter the **Creditor/DCA** name; this should be the company that is currently pursuing you for the Debt. For example, if the Creditor “A Bailed out Bank” passes your Debt for collection onto a DCA, such as the “Scary Debt Collection Mob”, then enter “Scary Debt Collection Mob” in here. Don’t worry though, DCA’s aren’t scary – they just want you to think that and if they step out of line; well we have the Financial Ombudsman, OFT, OFCOM and the Police to put them straight.

Enter the **Account Balance**. You can estimate this for the time being, as we will request this later as part of our Negotiation process.

Enter the **Original Monthly Payment** amount. This is optional and does not serve any purpose other than a reference for you at a later date.

% Total Debt: This is a system field and is used to calculate your Pro-rata amount. More on this later.

Proposed Monthly Payment: This is the Pro-rata amount that will be offered to the Creditor and is calculated automatically by the system. Please be aware, that in rare instances, this value may fall below the token amount of £1, which is the minimum you are entitled to offer your Creditor. If this happens, you should ensure that all values entered are correct, or try to offer this amount to your Creditor. If you cannot do this, you may require Professional Advice on a suitable Debt Repayment Method.

Click the NEXT arrow to proceed to the fun bit – the results section!

Results

The results section shown in Figure 6 below, will help you to decide if my 5 Stage Debt Repayment method is suitable for your current circumstances. Don't worry if it's not as you can always print out the pages and take it to an Advice Agency – a free one such as your local Consumer Advice Bureau (CAB). Therefore, all of your effort and button pushing has not gone to waste.

Assessment Results

Please find below the results of your Assessment. The results should help you to decide whether my Debt Repayment Method could help you. The final decision is up to you. Remember, if you are still unsure, please seek Professional Debt advice from one of the many free Organisations such as you local CAB.

Total Pro-rata Monthly Income: Employment	£2,300.00
Total Pro-rata Monthly Income: Benefits	£150.00
	£2,450.00
Total Pro-rata Monthly Expenditure: Housing	£635.00
Total Pro-rata Monthly Expenditure: Utilities	£155.00
Total Pro-rata Monthly Expenditure: Child Care	£40.00
Total Pro-rata Monthly Expenditure: Household	£1,083.33
Total Pro-rata Monthly Expenditure: Insurance	£40.95
Total Pro-rata Monthly Expenditure: Vehicle Costs	£126.08
Total Pro-rata Monthly Expenditure: Miscellaneous	£62.37
	£2,142.74

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Doing so ensures that the latest version of the eBook is always available.

Clive Watson

Results Indicator		
Total Pro-rata Monthly Disposable Income	✓	£307.26
Total Unsecured Debts	✓	£10,381.67
Debt Repayment Period	✓	34 Months
Explanation		
Red X: This signifies that the condition does not meet the required criteria for the Debt Repayment Plan. It is not advisable to use my Debt Repayment Method.		
Amber !: This signifies that although ideal conditions are not met, you may still go ahead with my Debt Repayment Method.		
Green ✓: This signifies that the ideal conditions are met for you to use my Debt Repayment Method. If in doubt, always seek Professional Advice from a free Agency.		



Figure 6: Results

Again, I have used simple indicators to help you decide whether or not this may be suitable – these are shown under the **Results Indicator** along with an explanation.

The final decision is yours to make and if you are unsure, **seek advice from a suitably qualified Money Advisor!**

In any instance, you print out a copy of your Financial Statement by clicking on the **NEXT** button.

Financial Statement (Statement of Affairs)

The Financial Statement, shown below in Figure 7, is calculated when you have entered all of the relevant information. You can print this out and send it to your Creditors. This is required in order to negotiate a successful Debt Repayment Solution.

Financial Statement	
All Values are Calculated Monthly Pro-rata	
Employment Income	
Wages & Salary	£1,800.00
Wages & Salary of Partner	£500.00
Other Income	£0.00
Other Income of Partner	£0.00
Child Care	
CSA Payments	£0.00
Nanny Fees	£0.00
Nursery Fees	£0.00
School Meals	£40.00
Income from Benefits	
Carer's Allowance	£0.00
Child Benefit	£0.00
Child Support	£150.00
Child Tax Credit	£0.00
Council Tax Benefit	£0.00
Disability Living Allowance	£0.00
Housing Benefit	£0.00
Incapacity Benefit	£0.00
Income Support	£0.00
Job Seekers Allowance	£0.00
Statutory Sick Pay	£0.00
Pension	£0.00
Pension (Partner)	£0.00
Working Tax Credit	£0.00
Housing	
Mortgage & Rent	£510.00
Second Mortgage	£0.00
Council Tax	£125.00
Utilities	
Coal	£0.00
Electricity	£60.00
Gas	£60.00
Oil/Paraffin	£0.00
Telephone(s) inc. Mobiles & Internet	£35.00
Water Rates	£0.00
Household	
Groceries	£1,083.33
Maintenance	£0.00
Pets	£0.00
Insurance	
Boiler/Home Emergency	£12.95
Building & Contents	£15.00
Income Protection	£0.00
Life & Endowment	£13.00
Vehicle Costs	
Breakdown Cover	£0.00
Fuel	£50.00
Higher Purchase	£0.00
Insurance	£13.00
Maintenance	£12.50
MOT	£3.50
Parking Fees	£43.33
Road Tax	£3.75
Miscellaneous	
Clothing & Shoes	£30.00
Court Fines/CCJ's	£0.00
Education Fees	£0.00
Hairdressing	£20.00
Medical Expenses	£0.00
Public Transport	£0.00
TV License	£12.37
Total Income	
£2,450.00	
Total Expenditure	
£2,142.74	
Total Disposable	
£307.26	

This is a true reflection of my finances. Should there be any changes to my circumstances, I will inform you immediately.

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SIGNATURE

Figure 7: Financial Statement

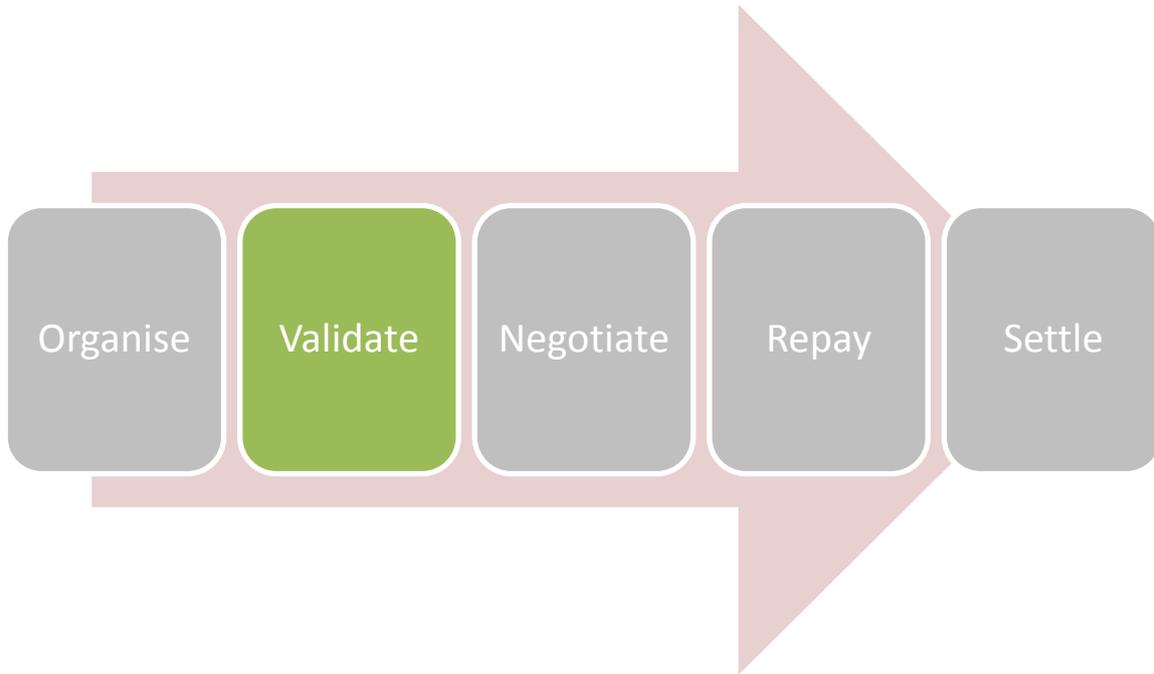
Before sending this to your Creditors, make sure that the figures are a true representation of your Financial Situation and sign in the Signature box. Failure to declare accurate amounts and to the best of your knowledge may constitute to Fraud.

If you are satisfied that my 5 Stage Debt Repayment Plan is suitable for you, then you can proceed through the rest of my eBook. We will move onto the next Stage of Validating your Debts!

Remember, you can always seek professional advice at any time from your local Money Advisor. If the plan does not seem suitable, then do go and speak to one of the many FREE Debt Help Charities.

From me, it's either Good Luck, or see you in the Next Chapter!

Validate your Debts



Objectives

In the Validate Stage of my process we will:

- Prepare and Perform important initial steps,
- Check that a Debt actually exists,
- Check whether Debt's are Enforceable and that there is a valid Consumer Credit Agreement.

Before I proceed any further. **This Stage is not a Debt Avoidance method in any way.** It is to help you validate what Debts are legally yours. All too often, fraudulent activity is responsible for some nasty Debt letters. Trust me, I know!

I will help you to decide which Debts require further action – possibly legal in order to protect yourself from paying Debts that you did not apply for.

If you are looking to avoid paying your Debts, look elsewhere.

On the flip side, if a Creditor has provided you with an Invalid Consumer Credit Agreement prior to 6th April 2007, then you are entitled to question it's validity albeit at a possible Court appearance and substantial cost. You may also take the alternative route and use it as your negotiating stick!

For Agreements signed after 6th April 2007, all the Creditor is required to do is provide an amended copy requested by the Court that conforms to the Consumer Credit Act.

Now that is out of the way, let's get on with validating these debts!

Important Steps Prior to Negotiating

Prior to negotiating your Debts, you should follow these important steps to ensure that your Finances are protected from Creditors offsetting them against your Debt, of which they are legally entitled to do.

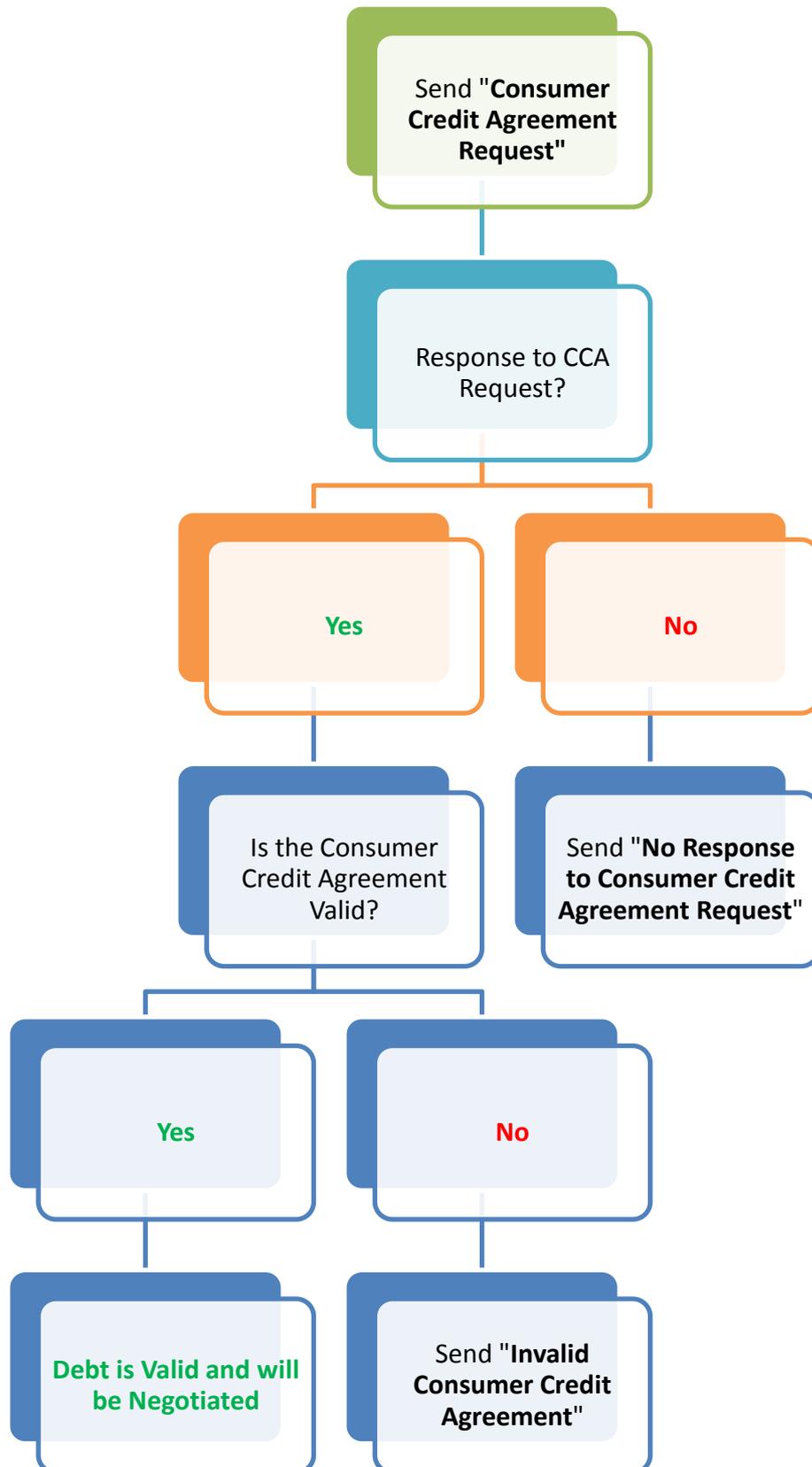
These steps should be followed in order and only move onto the next step once you have completed the previous.

1. **Setup a “Parachute Account”:** This is an account that is unrelated in any way to the Creditors that you owe money too. If you have an account already and do not owe any money to your Bank, then you are safe to skip this section.
2. **Transfer all Income to your Parachute Account:** Make sure that your Salary, Benefits, any Income whatsoever is transferred into this account. Include your savings in this also.
3. **Transfer Priority Debt Direct/Standing Orders:** Contact your Priority Debt lenders and move your payments to your Parachute Account. Do not setup your payments to your Creditors you will include in your Debt Repayment Plan. This is going to affect your Credit Rating; this is inevitable anyway as you would not be reading this if you were not in Financial Difficulty.
4. **Close old Accounts:** Close down your old accounts so that you do not incur any charges. This will also cancel all of your Direct Debits to your Creditors that you will include in your Debt Repayment Plan.

Process for Validating Debts

Over the following pages, I will provide you with a tried and tested process of dealing with your Debts. You can download all of the relevant letters from the Debt Repayment Help website located here:

<http://www.debtrepaymenthelp.com>



Legally Enforceable Debts

Due to the nature and complexity of what Constitutes as an Enforceable Credit Agreement, you should make the determination yourself or seek legal advice as to how far you want to proceed with this route.

The main aim of this Stage is to make sure if such an agreement even exists. If an agreement does not exist, or you are merely provided with the Terms & Conditions, then the Creditor cannot take enforcement action against you to repay the Debt.

However, they can at a later date provide a copy. A question that must be asked is why after numerous legal requests that the Agreement was never provided. This is a clear breach of the Consumer Credit Act legislation which can cause the Creditor to be fined up to £50,000 and have their Credit License revoked removing their ability to trade.

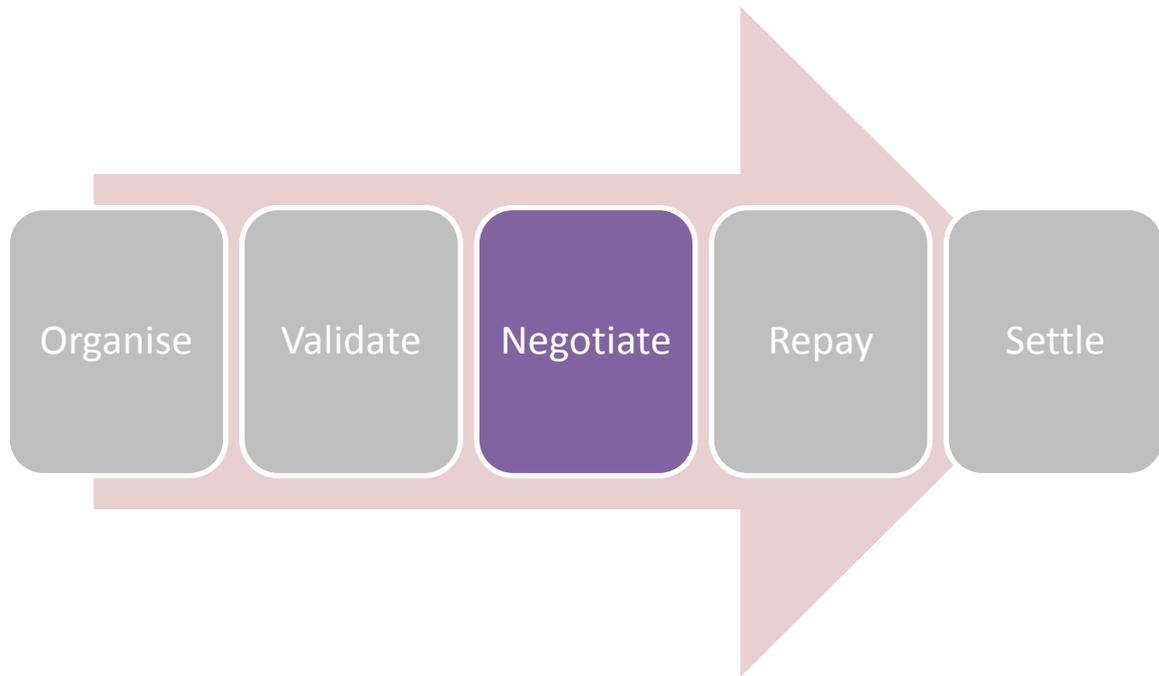
In most instances, if a Creditor can provide you with a Credit Agreement, even ones prior to 6th April 2007, they can still be enforced through the Courts. More information on what constitutes a valid Consumer Credit Agreement here:

<http://www.legislation.gov.uk/all?title=Consumer%20Credit%20%28Agreements%29%20Regulations%202010>

If you feel that your Consumer Credit Agreement is Unenforceable, then you can use this to negotiate the balance of the Debt. If you are not provided with a Consumer Credit Agreement, then you do not need to offer your Creditor a payment towards your Debt, nor can they enforce it against you without a Court Order.

In a nutshell, use the Invalid Consumer Credit Agreement route only as a last resort, if you are 100% sure after legal advice that it cannot be enforced, or my preferred route – use it as a negotiating battering ram!

Negotiate your Debts



Objectives

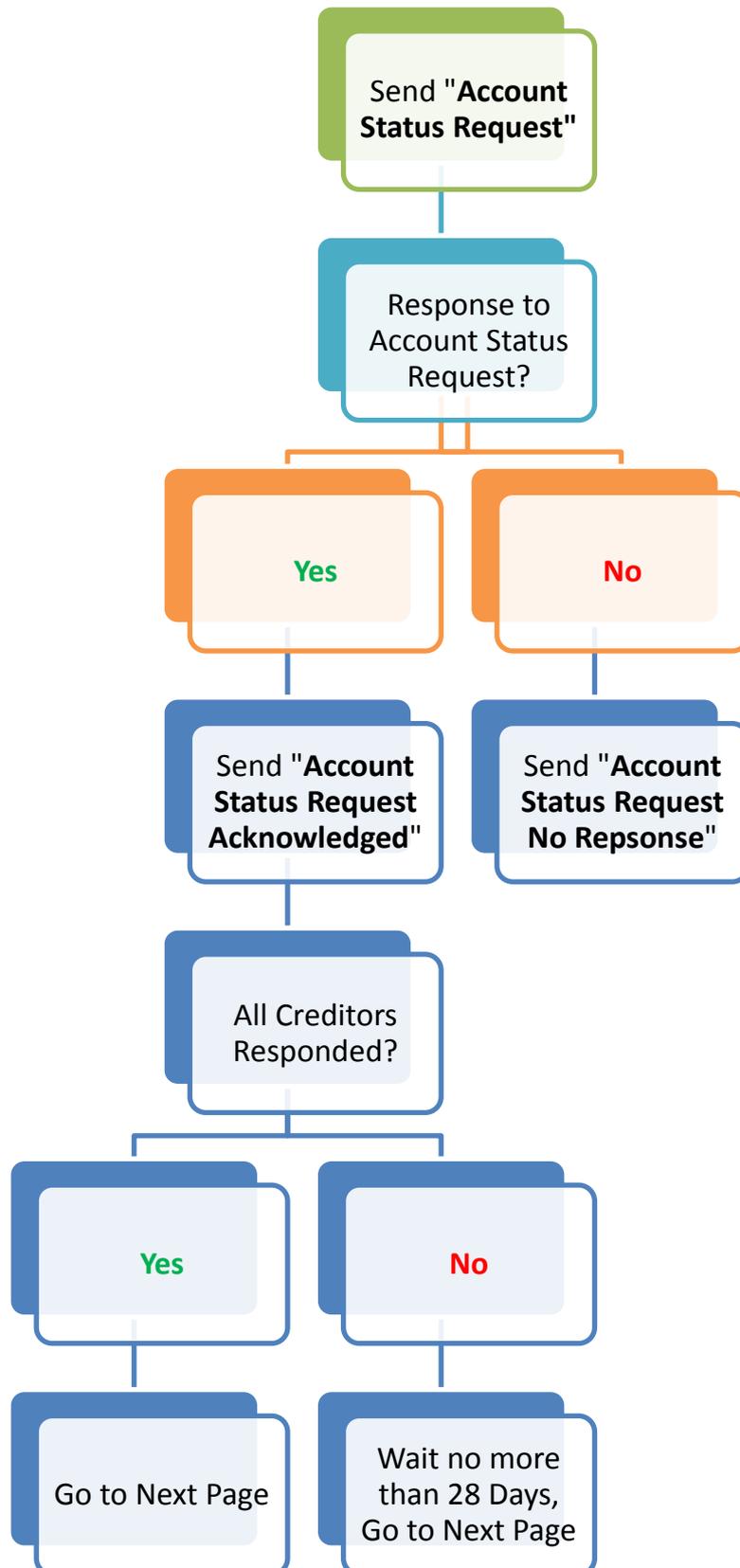
The objectives of this stage are too:

- Acquire the most up to date balances of your accounts,
- Request Interest & Charges to be Frozen,
- Negotiate an affordable monthly repayment amount.

You are required to write to all of your Creditors you listed in the Debt Assessment section of the [DebtCalc™](#) utility. Over the next few pages, I will explain the process that you should follow to ensure that you reach an affordable monthly repayment amount with your Creditors.

Process for Negotiating Debts

The process below refers to letter that are listed on the website as well as have been included with your download.

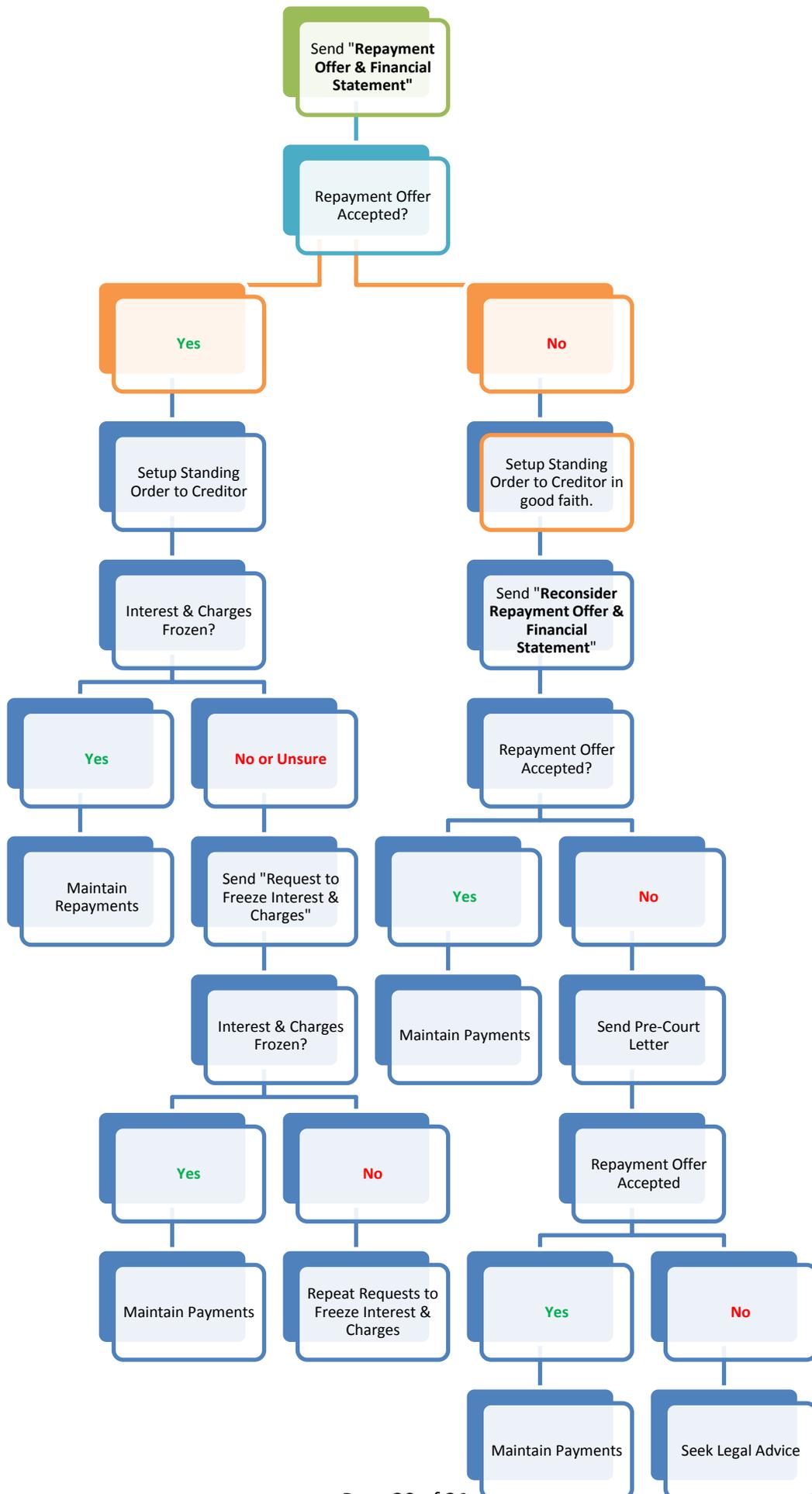


Update Debt Assessment

Revisit the Debt Assessment screen in the **DebtCalc™** utility and update the **Account Balance** column. Recheck the results to see if the Debt Repayment Help solution is the best way forward.

If so, and you are happy, we can now start to negotiate an affordable monthly repayment amount. Again, I have explained the most effective way to negotiate Debt repayment in the process shown in the next page.

Process for Negotiating Debt Repayment



Tips for Negotiating Debt Repayment

As explained before, you may be able to negotiate reduced balances on your account if there is no valid Consumer Credit Agreement.

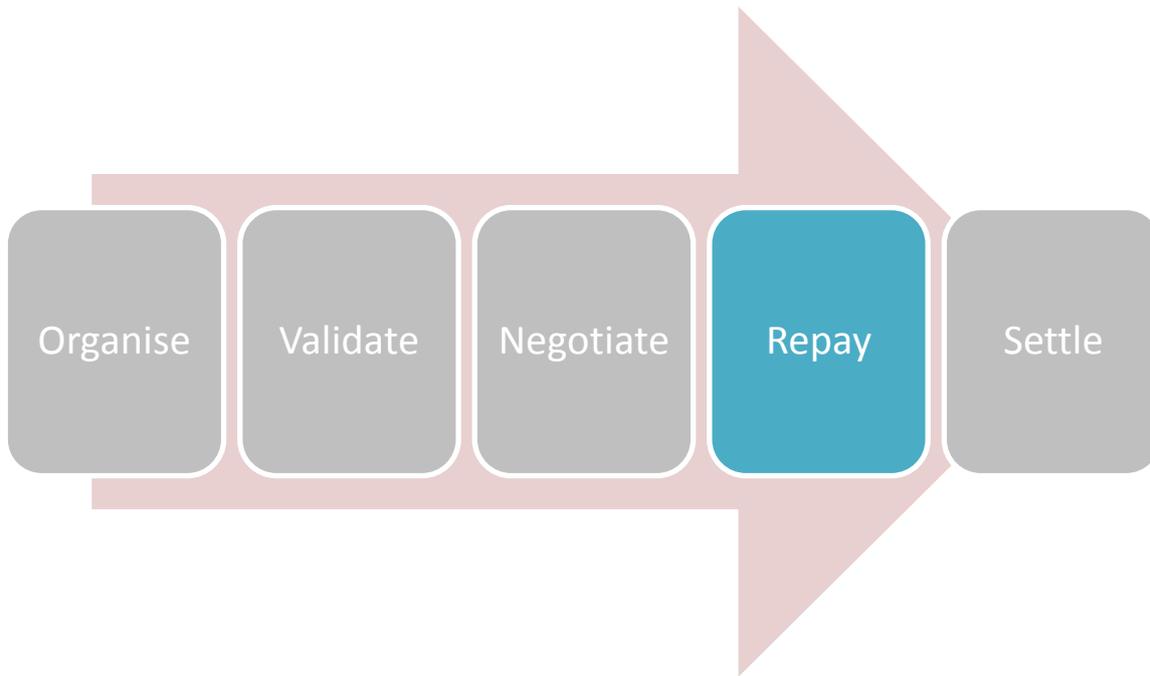
If you do have a Consumer Credit Agreement that is valid, and there is Payment Protection Insurance (PPI), included, you may be eligible to reclaim this back. Rather than receiving a Cheque or Deposit for the PPI, the Creditor can offset it against the Debt that you owe them.

I do have some tips for negotiating with Debtors and Debt Collection Agencies. These are there to safeguard you in the event of any Legal Action and are also there to reduce the stress that they can heap on you.

Follow the tips below and you will soon be on top of your Debts and paying them back. Well done, so far, you have come a long way from burying your head in the sand to getting on top of your Debts and starting to Pro-actively manage and repay them.

- **Never speak to Creditors/DCA's over the Phone:** The Template Letters that I have provided with your download pack as well as on the site, all state clearly that Creditors must communicate only in writing. This is your right. It reduces stress and the likelihood that you will over commit to your repayment proposal. Only deal with them in writing! If they persist in telephoning you – send my Telephone Harassment Letter!
- **Log all Calls:** Make a note of the Time of call, Agent Name (they normally only give their first name), the Company name and the Debt they are calling about. Then tell them you are terminating the call and they must only communicate in writing as previously requested as a formal complaint. **HANG UP THE PHONE BEFORE THEY CAN EVEN ANSWER YOU!**
- **Stay Calm at all Times:** Look, I do genuinely have sympathy for the poor people who are so desperate enough to earn a living for their family that they have to bully, intimidate and constantly breach the Data Protection Act, Protection from Harassment Act and the OFT Debt Collection Guidelines in order to receive a remuneration package at the minimum wage level. On occasion, they do receive bonuses for “conning” people into agreeing to unsustainable repayment amounts. Oh, these are also recorded as to intimidate you as to “terminating the call with no intention to pay”. Seriously, if that is the case, SAR request them and walk into the Court Room with the recording and try to contain your laugh as the Sherriff hauls them over the coals! Be calm and **DO NOT BE INTIMITATED** into raising your voice. This **IS** what they want. Be cool, calm, collected and just imagine the person on the other side of the phone as wearing a clown suit! This will psychologically frustrate them and not you, which was their intention to start with.
- **Send my Template Letters:** My Template Letters are designed to force answers. Think of the letters you receive from your Creditors and DCA's. They all look familiar, don't they? Of course they do, a computer generates them, and this, in turn, is their psychological game into breaking you down. It makes you feel as if no one cares as you as a person and whatever you do just generates a standard “pay me or else” letter. Time to turn the tables and use the Legislation and Law at the same time. My Template Debt Letters are designed to get to the point, using formal Legislation that will get you results. Heavy handed – No. To the point – Yes! Remember the “I'm going to make you Bankrupt” letter from your Creditor. Well I do too. I'm still not Bankrupt and they are accepting payments on **MY TERMS!**
- **Smile in the face of Adversity:** You would be amazed what a smile makes! When you are on the telephone or receive a threatening letter, try smiling whilst thinking about it. The fact that you are receiving more frequent calls and even more threatening letters means that **YOU ARE WINNING** and they know it. They are **LOSING** the battle. As long as you are paying what you can reasonably afford (as you will be if you use my **DebtCalc™** utility) you only ever need to worry if you get a Court Summons. To be honest, you only have to seek Legal Advice if this happens. I have undeniable proof that Solicitors will use the Legal system in order to try and force your hand without having conducting due diligence. This can be construed as Vexatious. Not good if you are a practicing Solicitor.

Repay your Debts



Repaying your Debts

You are no doubt well under way to repaying your Debts. The method you are currently using is the Pro-rata repayment method which evenly distributes your Disposable Income to your Creditors on a monthly basis and is the recognised industry standard, as well as being accepted in the Courts of Scotland, England and Wales.

Therefore, you may ask, what about overtime and bonuses that you receive? In all honestly, you should really declare this within your Financial Statement and this is the advised method, however, if you receive these intermittently or at random occasions, then you should put these extra windfalls into a saving account to use them for a reduced settlement figure. This method is called the “**Snowball Debt Repayment Method**”.

Snowball Debt Repayment is a method of debt reduction that involves paying off the smallest balance first, instead of the balance with the highest interest rate. The Snowball Debt Repayment method works through human psychology, helping families reduce the number of bills quickly. Through the Snowball Debt Repayment system, families see fast results and are encouraged to stick to the plan.

Snowball Debt Repayment gets its name because the amount of money available each month snowballs as bills are paid off. However, Snowball Debt Repayment does end up costing people more in the long run, as they pay more in interest fees when they don't pay their higher interest balances first. However, Dave Ramsey, a strong supporter of Snowball Debt Repayment, says the Snowball Debt Repayment method is still superior because people need quick wins in order to stick to the same plan.

A further benefit of the Snowball Debt Repayment plan is the chance to reduce the total minimum payment owed each month. This gives someone on the plan more flexibility to pay large, unexpected expenses, like house or car repairs, with cash instead of credit. This reduces the total amount of all the minimum payments and frees up extra income for paying down debt. For example, if a person pays off a debt with a £26 monthly minimum payment, they have an extra £26 to apply to their other debts the following month.

Let's take a look at an example of the Snowball Debt Repayment plan in action. Here is how the person stands at the beginning of the Snowball Debt Repayment plan. They have three debts spread between two credit cards and a car payment.

Credit Card 1 - £250, minimum payment £25/month
Credit Card 2 - £300, minimum payment £30/month
Car Loan - £3,000, minimum payment, £250/month

This person has £100 per month to pay down debt, in addition to the minimum payments. The Snowball Debt Repayment system says they should pay down credit card 1 first, as it has the lowest balance. At the end of month 2 of the Snowball Debt Repayment plan balance would look like this:

Credit Card 1 - £125, minimum payment £25/month
Credit Card 2 - £270, minimum payment £30/month
Car Loan - £2,750, minimum payment, £250/month

By month three the first credit card would be paid off. This gives the person an extra £25 to apply towards the other debt, so they can now pay off £125, in addition to their other minimum payments:

Credit Card 1 - £0, minimum payment £0/month
Credit Card 2 - £240, minimum payment £30/month
Car Loan - £2,500, minimum payment, £250/month

This is the first example of the Snowball Debt Repayment plan. Now the £125 can be applied towards the second balance, along with the minimum payment, snowballing each payment into a larger one. This would pay down the second credit card by £155 a month. After two months, the card would be paid off, leaving an extra £60 to be applied towards the car loan:

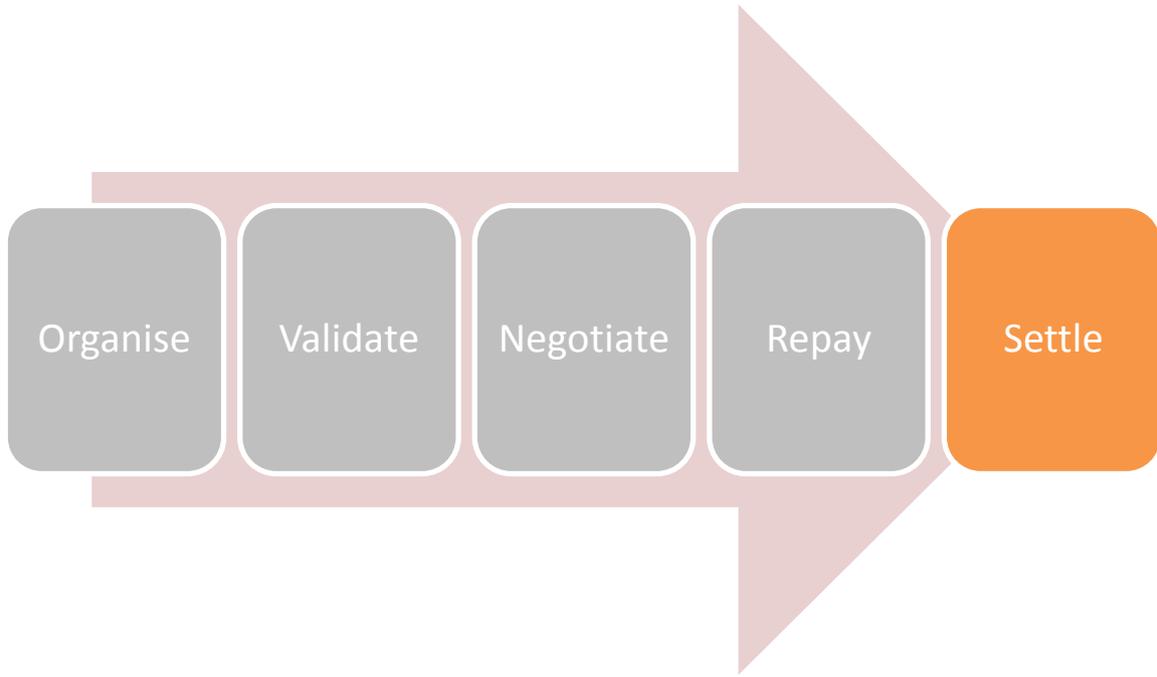
Credit Card 1 - £0, minimum payment £0/month
Credit Card 2 - £0, minimum payment £0/month
Car Loan - £2,190, minimum payment, £250/month

Now the additional £155 freed up by the Snowball Debt Repayment plan can be applied towards the car loan. The car loan can be paid off at £405 a month. After a further six months the car loan would be repaid and the person would be debt free.

As demonstrated, the Snowball Debt Repayment plan grows the amount of debt paid each month by reducing the number of minimum payments to be paid off. In the example above, the person paid off £3,550 worth of debt in about 10 months, using only £100 of disposable income.

There you have it – a total guide to dealing and repaying your Debts. No Loopholes, no bullshit, just a simple, effective and proven method on how to deal with your Debts – honestly, fairly, pro-actively and more importantly – Successfully.

Settling your Debts



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Clive Watson

Founder & Developer

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