

When is it Time to Consult a Preparer about Your Bills?

For most of us "collection," "bills," "debts," "interest," "mortgage," and "past-due" are words or phrases that instantly raise our blood pressure. Nearly everyone has debt and most of us fall behind from time to time; we all accidentally miss a payment here and there, or occasionally have to do some serious juggling to keep the lights on and the house up to date. Not everyone needs a preparer, however. Recognizing when it is time to ask for help is difficult because we are used to worrying about money. On the other hand, we almost all believe that we will be able to pay off our debts ... sooner or later.

It is very important for you and your family to have a handle on your financial situation. Not only so you can enjoy the good things in life like send the kids to college, visit Paris on your 25th wedding anniversary, or finally get that Corvette, but also so you can improve your life quality now. Your health, sanity, and relationships depend on financial stability as much as any other factor like employment satisfaction or emotional stability. So how do you know when you are in trouble and need help or when it is just time to tighten the belt?

Is your Monthly Income less than your Monthly Expenses?

One tell-tale sign of impending financial disaster is not being able to meet your monthly expenses. If you are constantly asking yourself where the money went, using your credit cards for meals, gas, or other essentials (and not paying off the balance), or - in extreme cases - visiting the payday loan store to get by, it is time to take a long, hard look at your budget.

Figure out what you take home on a monthly basis, and subtract what you spend for necessities such as rent or mortgage, utilities, food, child care, and all debt payments.

Then ask yourself these questions:

- Do you spend more than you make?
- Have you removed all luxuries from the budget and still can't make the ends meet?
- Are you sacrificing on essentials like utilities, food or medical and dental care to make a minimum payment on a credit card or pay

for car, furniture or other secured debt you don't need and can't afford?

- Are you scraping to pay the just minimums on your credit cards?
- Would it be impossible for you to pay off your credit cards in just a few months?
- Are your monthly debt payments stopping you from living more comfortably and with less stress?

If you answered "yes" to any one of these questions, then a preparer may be able to help you to work to reduce these debts or eliminate them completely.

A tight budget is the earliest sign that you need help. The later signs are collection calls, lawsuits, wage garnishments, and levies on your bank account. Garnishments and levies will make a stressful situation seem impossible. If you were struggling with your debts before, then the forced payment of your debts via court order could send you into a financial free-fall. A person struggling financially, but barely keeping up with the mortgage, will find that essential payment impossible once the bank account has been frozen or wages are being garnished. But, by paying attention to the early warning signs, you can take action before the worst occurs.

Are You Receiving Collection Calls, Law Suit Notices, Levies, or Garnishments?

When you fall behind on certain debts, such as medical bills and credit cards, the phone calls start. Eventually, these past due accounts are turned over to collection agencies, then to collections attorneys. When the collection calls start it is time to seek advice on how to stop the onslaught. Without resolution, these debts can spiral out of control and seriously impact your life. It should also be noted that certain collection methods commonly used by collection agencies are actually in violation of federal law. A competent advocate can advise you of your rights and help you stop these activities. You may also need advice on how to handle pending lawsuits for collection, foreclosure or repossession.

Have You Experienced a Sudden Life Change, Job Loss, Accident, or Illness?

Sometimes we are keeping things together and handling our obligations just fine when a sudden change in circumstances makes it impossible to keep the previous financial balance going. For example,

if you have just returned to work from a long lay-off or illness, and find that you are behind on your mortgage or car payments and can't catch up, a preparer may be able to help you save these important assets from foreclosure or repossession. A consumer law specialist will also be able to advise you of your options for managing excessive tax debts, as well as how to handle the new debts that arose from the recent changes such as medical bills or loans taken to tide you over while your income is reduced.

Take Control

The key is to take control of your finances before they take control of you. Assess your budget. You should understand your budget and how much your outstanding debt is costing you as well as having a plan to pay it off. If you can't get a handle on that or suspect it is more than you can handle, you should seek professional help to get control of the situation. If you find you can't make ends meet, even after eliminating luxuries from the budget, are starting to get collection calls, or have experienced a loss of income or increase in expenses due to lay-off, illness, or accident, it may be time to seek professional assistance.

Conclusion

These are a few areas that you can start with to improve your financial outlook. If you can avoid some or all of these pitfalls it can lead to financial freedom. If you are in debt and would like to find out more about the options available to you, give Amicus Curia a call at **(360)427-3599**.