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October–December 2005

Home Sweet Home: ByDesign Offers Full Spectrum of Housing-Related Services

by Dawn Damskey, regional executive v.p. of Stockton

ByDesign is an approved comprehensive housing counseling agency by the Department of Housing and Urban Development (HUD). Our certified counselors are available for in-person, phone, and Internet counseling for a number of housing-related topics.

Owning a home is the American dream for many people. If homeownership is your goal, you should plan for it financially and learn the steps it takes to purchase your home. Our certified counselors are trained in the process of planning and buying a home. Confidential, one-on-one counseling is available to conduct an analysis of your current financial situation, complete a credit report review, and develop the best possible strategy to prepare you for homeownership.

As a part of the counseling process, we will provide education in money management, wise use of credit and building a savings. Our counselors will work with you to develop a budget and a personalized plan to meet your financial goals.

We also offer a First-Time Homebuyer workshop if you prefer to learn these steps in a classroom.

Another service we offer is default and foreclosure counseling designed to help you if you become delinquent with your mortgage and need to know your options for keeping your home.

ByDesign certified counselors can help you with rental issues such as preparing for relocation and how to secure or maintain residence in rental housing. ByDesign is also able to provide guidance in fair housing awareness--if you are trying to buy or rent a home or apartment and you believe your rights may have been violated, you can file a fair housing complaint. Our counselors can assist you in understanding your rights.

Seniors who wish to tap into the equity in their homes will benefit from our reverse mortgage counseling. Our AARP and HECM (home equity conversion mortgage) counselors will review with you the financial impact of the loan, the cost of the loan, and potential alternative solutions. A Reverse Mortgage permits clients who are 62 or older to use the equity in their homes to improve or maintain their standard of living while remaining in their homes. We provide seniors with information regarding the HECM loan product. This information is presented in one-on-one sessions in one of our office locations or by phone following the HUD Reverse Mortgage procedures to ensure clients receive all information necessary to make an informed decision while avoiding predatory lending practices.

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Prepare Now to Avoid HARASSED HOLIDAYS

As sure as the sun rises, every year, the holidays arrive quickly upon us. Yet, year after year, the time between holidays seems to diminish and the best laid plans for shopping ahead and saving monthly get pushed aside.

Still, it's not too late to make a plan that will allow you to tackle the holidays this year in an organized, thoughtful, systematic manner. Would you plan a wedding without a "to do" list? Of course not. Even though the holidays are not as elaborate an occasion, and we hope they don't cost as much, creating a holiday budget is the best starting place. Similar to your household budget, to create a holiday spending plan, write down each area of spending you expect to confront. A typical list would include: gifts, cards, postage, travel expenses, entertainment costs (if you're attending or holding a party), etc.

Next, on a separate sheet of paper, tally the costs in each category, one at a time. For gifts, you may, for instance, jot down a list of everyone you would like to buy a gift for, with the amount you feel you can spend on each person. Once you add that amount up, if it's too high, you will need to cut down the number of people on your buying list, or lower the amount you plan to spend on each person. Now is the best time to get creative.

Instead of buying presents for people at your office, can you give them a personalized card or bake a huge batch of fresh cookies and wrap them individually with colorful cling wrap and ribbon? If you have artistic skills can you make some gifts? Can you pool funds with other family members to buy more expensive gifts requested by certain people?

Work on your list until you reach a total, which includes each category, that you can live with. According to the National Retail Federation, last year, in the U.S., the average American spent \$948 on holiday shopping. Only you know how much in total you can afford to spend, so only you can adjust your budget accordingly.

The goal is to not spend more on the holidays than you've already set aside. If you haven't been saving throughout the year--for the average person (who spends \$948), that would require setting aside \$79 per month--then aim to spend no more than you are able to pay off in 2-3 months. Financial experts often recommend that consumers determine how much they will spend as a percentage of their net income: up to 2% if you're not in debt and no more than 1% if you're carrying debt. For instance, if you take home \$35,000 per year, and are in debt, you wouldn't want to spend more than \$350 on the holidays. This may seem impossible, but in reality, it's a realistic recommendation considering adding more debt, usually on credit cards, can send many people into a dangerously deep financial hole. Why pay three to four times as much for gifts by dragging out credit card payments through the next year and giving your hard-earned money back to the creditors in the form of interest? Are any of us really in a position to do so without causing financial harm to ourselves? Wouldn't we rather save that money to cover a debt free 2006 holiday season?

Once you've settled on a written budget, get shopping as soon as possible. Carry the budgeted list with you and stick to it. Follow your budget and don't get distracted by items which aren't included in your plan.

Shop early to avoid last-minute shopper behavior such as paying full price, buying under stress and exceeding spending limits. Shop smart, look for deals. With time on your side, you can comparison shop--look for sales, discounts, coupons in newspapers and online. Purchase in bulk at wholesale warehouses or discount department stores. Pay in cash when possible and only carry your credit card with the lowest interest rate.

And, most of all, be true to your values. Do you want to enjoy time with family and friends and pay homage to your spiritual and religious beliefs during the holidays? If so, spend less time shopping! Good luck with your plan and happy and safe holidays from ByDesign.

Bankrate.com offers a helpful online holiday spending worksheet located at: www.bankrate.com/brm/calc/holidaySpending.asp?nav=budget&page=calc_home.

Housing-Related Services, continued from cover page

For clients who just want to learn more about financial literacy, or for those who are struggling to make their payments each month, ByDesign offers counseling and workshops. We offer a Personal Finance Management workshop that teaches budgeting, understanding credit reports and savings and investing. In a one-on-one counseling session we can help you develop a personal budget and, if necessary, set up a repayment program to help you meet your financial obligations.

New Name, New Services, New Site!

On Monday, August 29, 2005, ByDesign launched a new web site at:

www.bydesignsolutions.org.

Martha Lucey, regional V.P. in charge of marketing, explains, "Despite our long-earned solid reputation as a credit counseling agency, we want people to think of us for other financial literacy needs as well. We have developed products and services to meet the needs of teens preparing to leave home for the first time, for seniors needing counseling on whether reverse mortgage is the right solution for them, and everyone in between." Lucey continues, "Our core mission has not changed, but rather we have expanded our service to meet the need for money management throughout a person's lifetime."



For the first time, consumers throughout California can log on to ByDesign's site to:

- Read descriptions of free and low-cost workshops;
- Conveniently register for workshops online;
- Download text for online courses and take quizzes online;
- Purchase educational materials through our online storefront; and
- Find answers in the "Frequently Asked Questions" sections of the major areas of the site: Budget and Credit Solutions, Bankruptcy, Identity Theft Solutions, Housing Solutions and Personal Finance Education. Many times these explanations are all a consumer is looking for at the moment.

Please take a look at our new site today and share the address with your friends and family.

Featured Client Award:

Contest Rules

Tell your story and you can be one of our featured clients in our first quarter 2006 issue. To more accurately reflect the various types of programs we offer, with the new rules (below) we have opened the contest to all of our clients, not just those on a debt management program.

Essay Contest Rules:

1. Write an essay of 500 to 1,000 words answering the question "How has ByDesign's education classes and/or financial counseling changed my life?" While it's good to tell what happened before you got into a financial bind, focus more on how you have benefited from participating in our counseling sessions or educational programs.
2. You must be a client of ByDesign within the year 2005--an active participant in a ByDesign DMP (you need to have been on the DMP for more than six months), a student in one of our educational workshops or a client who was counseled for any reason (budget counseling, reverse mortgage, identity theft problem, credit report issue, housing problem, etc.) in person, by phone or over the Internet. Past and present employees of ByDesign are not eligible.
3. All essays become the property of ByDesign and will not be returned. Winners must agree to have their name, photo and story used in *Take Control* and other media as well.
4. A one time prize of \$250 will be awarded, paid in the form of a contribution toward your DMP (if you're on the program). If less than \$250 remains of the debt, the remainder will be awarded in the form of a check. All non-DMP clients will be awarded with a check.
5. Limit of one entry per person, per year. Entries are NOW being accepted.
6. Entries should be typewritten or computer printed. Be sure your name, address, telephone number and client number are noted in the upper right-hand corner of each page.
7. Include a photo of yourself with your entry. Snapshots are fine. (E-mail entries should attach a .jpg file.) No entries without photos will be considered.
8. Mail your entry to:
Take Control Featured Client Contest
ByDesign Public Relations Department
5628 E. Slauson Ave.
Los Angeles, CA 90040-2922
Or e-mail as a Microsoft Word attachment to:
contest@bydesignsolutions.org.



5628 E. Slauson Ave.
Los Angeles, CA 90040
(800) 750-2227
www.bydesignsolutions.org

Fuel-Saving Driving Strategies

With gas prices hovering around the \$3 per gallon range and expected to increase more, many of us wish we owned a hybrid vehicle. Short of that, and keeping our tires inflated properly (we've heard that before), what changes in our driving style are most likely to increase our gas mileage?

The U.S. Department of Energy and the AAA agree, the manner in which you drive is the biggest factor in determining your fuel economy.

Aggressive driving--speeding, rapid acceleration and braking--wastes gas and can lower your gas mileage by 33% at highway speeds and 5% around town. So, if you would like to get the most from a tank of gas, smooth out the way you drive. Avoid quick stops and starts and long warm-ups. Don't rev the engine or let it idle for long periods. Lighten up on the accelerator and anticipate driving conditions. Think ahead when approaching hills. Accelerate before you reach the hill, not while you're on it.

Sharing a ride with someone cuts down on gas mileage even more (50%), but many of us need our car to travel to meetings outside of the office. Even if it's once a week, ride sharing is worthwhile.

Although most of us dread the thought, observing the speed limit makes a huge difference as well. **Each 5 mph you drive over 60 mph, is like paying an additional \$0.15 per gallon for gas.**

Removing excess weight from the car, such as gardening supplies, dog food, golf clubs, etc. is an easy way to save. **For each extra 100 lbs. you have in your vehicle, you are reducing your MPG by up to 2%.**

Keep windows closed when traveling at highway speeds. Open windows cause air drag, reducing your mileage by 10%.

Each suggestion separately doesn't make a huge difference, but by combining these driving strategies, you could see some real savings.

Sources: www.edmunds.com, AAA & U.S. Department of Energy

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www.bydesignsolutions.org/newsletters.html

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