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Listening, learning, and living together: it's the science of life.

Debt Recovery Tips¹

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Whether it's holiday season, buying a new home, changing jobs, getting married or getting divorced, Americans often turn to credit to get them through. For many families, bad decisions about their credit can lead to serious problems.

If you've found yourself dealing with creditors or attempting to get out from under a mountain of debt, taking action early and taking proactive steps with your creditors are both very important. The Institute of Consumer Financial Education has a number of strategies they recommend for creating a plan to get back on firm financial ground. First, they say, take positive steps in order to reduce the negative impact of adjusting to a pay-as-you-go lifestyle. Establishing new spending priorities and strategies takes time and effort.

They also recommend you work directly with your creditors to avoid repeating your mistakes. They say, "The three basic ground rules when dealing with creditors are: be honest, be humble and be in touch." Try to contact them ahead of time if you know an income reduction is pending. Tell them how much you can afford to pay and how often you can pay it, then be ready to negotiate (Richard, n.d.).

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2. Donna Davis, Senior Producer, Family Album Radio, Department of Family, Youth and Community Sciences, Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida, Gainesville, FL 32611. Reviewed by Jo Turner, Department of Family, Youth and Community Sciences, University of Florida.

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There are many other strategies you can use to reduce your debts, but the first priority is getting started: the step that is often the most difficult. For more great tips on debt reduction, check out the ICFE Web page at <http://www.icfe.info>.

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To listen to the radio broadcast:

http://www.radiosource.net/radio_stories/tips.mp3

http://www.radiosource.net/radio_stories/tips.wav

References

Richard, P. (n.d.) *Dealing with creditors*. Retrieved May 25, 2007, from http://www.financial-education-icfe.org/financial_education/dealing_with_creditors.asp