

Debt getting in your way?
Get a handle on it.



Consumer Financial
Protection Bureau

Your Money,
Your Goals

Who is the CFPB?

The Consumer Financial Protection Bureau works on your behalf. We want you to have the information you need to make good financial decisions for yourself and for your family.

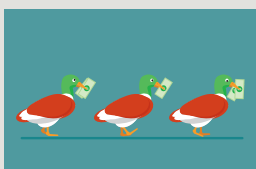
We're here for you. We are a government agency that was created in 2010 in response to the financial crisis.

We're taking action. We work to make sure banks, lenders, and others operate fairly.

We're committed to you. We are committed to helping people enjoy safer, better financial lives.



Consumer Financial
Protection Bureau



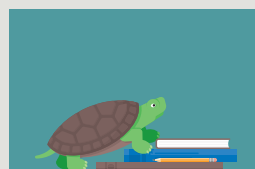
What debts
do I owe?

DEBT
LOG



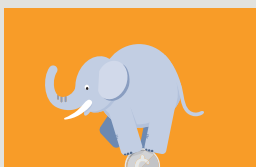
How do I
check my
credit report?

CREDIT
REPORT



How do I
deal with my
student loans?

STUDENT LOAN
CHECKLIST

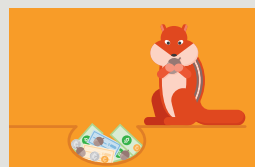


What can I do
to reach my
goals?

DEBT ACTION
PLAN

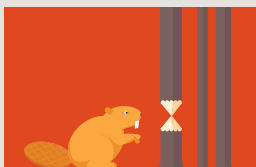
8

Tools if debt
is getting in
the way.



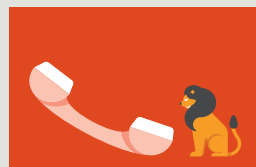
How do my
expenses
change during
the year?

SEASONAL
SNAPSHOT



Which debts
do I prioritize
in tight
months?

PRIORITIZING
DEBT PAYMENTS



How do I
respond to a
debt collector?

DEALING WITH
DEBT COLLECTORS



Who else can
I turn to for
help?

RESOURCE
CARDS

The Consumer Financial Protection Bureau (CFPB) has prepared this material as a resource for the public. This material is provided for educational and information purposes only. It is not a replacement for the guidance or advice of an accountant, certified financial advisor, or otherwise qualified professional. The CFPB is not responsible for the advice or actions of the individuals or entities from which you received the CFPB educational materials. The CFPB's educational efforts are limited to the materials that the CFPB has prepared.

These tools may ask you to provide sensitive information. The CFPB does not collect this information and is not responsible for how your information may be used if you provide it to others. The CFPB recommends that you do not include names, account numbers, or other sensitive information and that users follow their organization's policies regarding personal information.

This booklet references third-party resources or content that consumers may find helpful. The inclusion of links or references to third-party sites does not necessarily reflect the Bureau's endorsement of the third-party, the views expressed on the outside site, or products or services offered on the outside site. The Bureau has not vetted these third-parties, their content, or any products or services they may offer. There may be other possible entities or resources that are not listed that may also serve your needs.

Is debt getting in the way of your goals? **My debt picture** can help you find a start.

- 1 Look at the board.
- 2 Use a pen or highlighter to circle the debts you have.
- 3 Put a star on those that concern you the most.

What is debt?

Debt is money you owe. Whether you took out a loan, used a credit card, or got behind on a bill payment, it's debt.

When debt feels like a barrier to your goals it can be hard to face, but it's important to remember that you're not in it alone.

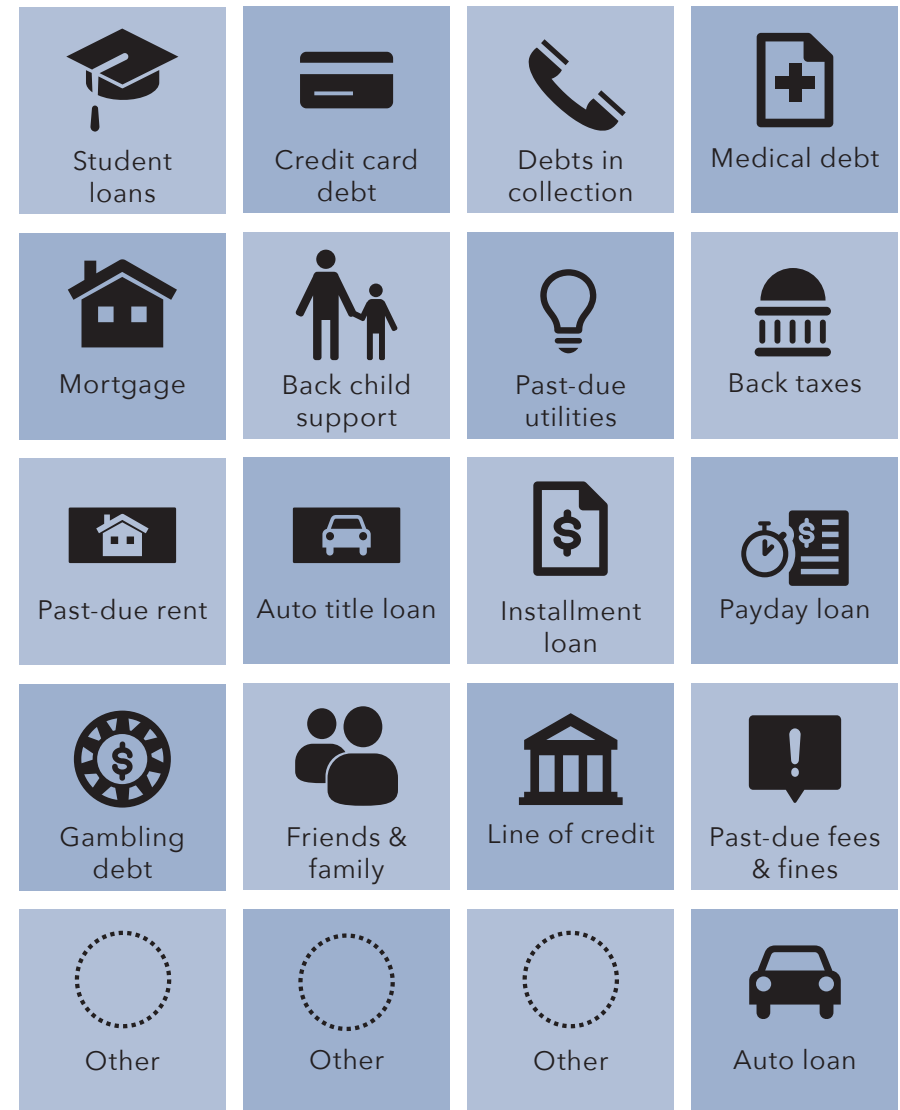
These tools can help you take the first step

You can:

- Use them in any order.
- Capture a picture of what you owe, decide which debts to pay first, or set some new goals.
- Use them to help get a handle on your payments and cut down on stress from growing debt.

The small steps you choose to take can lead to big changes. **You can fix this; we can help.**

You can find other helpful tools in the "Behind on bills? Start with one step" booklet or the full "Your Money, Your Goals" toolkit at cfpb.gov/your-money-your-goals.



DEBT LOG

What debts do I owe?



This tool will help you:

- **See a full picture** of all your debt payments
- **Figure out** when you will pay off your debts with your current repayment plan
- **Remember** when all your debt payments are due
- **Understand** how much money you may be able to put towards paying down debt faster

What you'll need:

- ☐ Loan statements showing: monthly payment amounts, due dates, and interest rates
- ☐ Your credit report (you can use the **Credit Report** tool)

TIP: If a debt collector is contacting you, you can use the **Dealing with Debt Collectors** tool or visit cfpb.gov/debt-collection.

Start with one question:

How much do you think you spend on debt payments each month?

A step further

If you don't have all the information you need to complete the debt log, these documents can help you fill in the blanks.

Credit report:

- The amount of your monthly payments
- The balance (the amount you still owe)
- Whether you are up-to-date or more than 30 days late
- Your status, such as owner, co-owner, co-signer, or authorized user.

Credit card statement:

- Payment date
- Minimum payment
- Interest rate
- Balance and payoff date if you continue to make minimum payments

Loan or mortgage agreement:

- Interest rate and fees
- Payment date
- Payoff date

Court orders:

- Payment amount
- Due date
- Any other terms

Billing statements:

- Past-due amounts
- Late fees

Additional resources

For information on your federal student loans, visit the National Student Loan Data System website at nslds.ed.gov.

Use this **debt log** to see what you owe.

- 1 List all the debts you have.
- 2 Fill out the table to see your total monthly debt payment.
- 3 Circle any debts in collections.

Think about the **types of debt** you have:



Auto loan



Back child support



Credit card debt



Friends & family



Medical debt



Past-due fees & fines



Mortgage or past-due rent



Payday loan



Student loan

MY MONTHLY DEBT PAYMENTS

OTHER INFORMATION ON MY DEBTS

Debt	Payment amount	Payment due date	Up-to-date?	Interest rate (%)	Total amount left to pay	Payoff date or goal	Notes - including any fees
Total monthly payment amount:	\$						

CREDIT REPORT

How do I check my credit report?



This tool will help you:

- **Get** free copies of your credit reports
- **Understand** what's included in your credit reports
- **Check** your credit reports for errors and signs of identity theft
- **Dispute** any errors you find

Know the facts:

Your **credit report** is a record of some of your bill-paying history, public record information, and prior inquiries by creditors into your credit history.

Credit reports may be used by landlords, employers, and lenders. It's important that you **get your free credit report once a year** to check for any errors.

Start with one question:
When was the last time you reviewed your credit report?

A step further

Dispute errors that you find in your credit report.

Step 1: Submit a dispute—either online or by mail—to the credit reporting company that provided the report with the error. In the letter, explain the error. Include a copy of your credit report with the incorrect information circled. If you can, include copies (never send originals) of anything that proves there's an error.

Step 2: Send a letter to the business or person that provided the incorrect information. Consider including a copy of the portion of your credit report that includes the disputed items. Highlight or circle disputed items to make them easier to identify. Be sure to delete or mark out any personal financial information that's not related to the dispute. You may also want to include copies of additional supporting documentation.

The credit reporting company generally has 30 days to investigate your claim. After the investigation is complete, the company should send you the results within five business days.

Additional resources

A **sample letter template** for disputes can be found on the CFPB's website at cfpb.gov/askcfpb/314.

Dissatisfied with the outcome of your dispute? You may file a brief statement with the credit reporting company. You can also submit a complaint with the CFPB at cfpb.gov/complaint.

The information included in your credit report is the basis for your credit score. To learn more about credit or credit scores, visit "Ask CFPB" at cfpb.gov/consumer-tools/credit-reports-and-scores.

If you suspect that you've been the victim of identity theft, visit the Federal Trade Commission's website at identitytheft.gov.

Check your **credit report** at least once a year.



Get a **free copy** of your credit report.

You can get a free copy of your credit report at AnnualCreditReport.com or by calling 877.322.8228.

This is the **only federally authorized source** for free credit reports. You can get a free credit report from Equifax, Experian, and TransUnion once every 12 months using AnnualCreditReport.com.

TIP: You don't need to pay for credit monitoring to get your credit report. You can monitor your own credit for free by checking each of your nationwide credit reports at least once a year. Many companies promise free credit reports, but they really want you to sign up for credit monitoring services or other products that may come with a cost.



Review the information in your credit report.

Check your credit report to:

- **Look for errors** in your credit report and confirm that your report only contains info about you.
- **Fix** any errors you find.
- **Guard** against identity theft.

Errors on your credit reports, or fraud caused by identity theft, can make borrowing more expensive or prevent you from getting credit.

Common errors in credit reports include:

- Accounts that don't belong to you.
 - Incorrect account status, such as "default" or "delinquency," or incorrect dates of delinquency.
 - Accounts wrongly listed as late, incorrect balances, incorrect credit limits, and closed accounts listed as "open."
 - Accounts wrongly listed more than once.
- TIP:** Each account should only be reported as "open" by one creditor.



Complete the credit report **review checklist**.

- ☐ Double-check your name (including spelling), Social Security number, current telephone number, and current address.
- ☐ Are your previous addresses listed correctly?
- ☐ Is your employment history correct?
- ☐ Is everything listed in the personal information section correct?
- ☐ Is everything listed in the public record section correct?
- ☐ Review each item under the credit account (trade account) section. Do these belong to you? Are the accounts listed as "open" currently open?
- ☐ Is the status of your accounts accurately described?
- ☐ Are there accounts where you are listed as an authorized user, co-signer, or joint owner? Is the listing accurate?
- ☐ Are accounts that you closed listed as "closed by the consumer"?

STUDENT LOAN CHECKLIST

How do I deal with my student loans?



This tool will help you:

- **Find out** if your loans are federal or private
- **Identify** your loan payback status
- **Determine your eligibility** for an income-driven or alternative repayment plan
- **Talk** to your loan servicer about enrolling in a more affordable repayment plan

Start with one question:

What type of student loan(s) do you have?

Know your loan type:

Federal student loans are loans made or guaranteed by the Department of Education. They usually have names like Direct Loan, Stafford, PLUS, or Perkins. They are the most common type of student loans.

Private student loans are any other type of student loans. They can be made by a bank, a credit union, a state agency, or a college or university. They may have names like "alternative" or "institutional" loans.

Not sure whether your student loan is federal or private?

The National Student Loan Data System, or NSLDS, provides a list of all your federal student loans, including which servicer is handling your account(s).

If your loan is not listed in the NSLDS, it is likely a private loan.

You can access the NSLDS at nslds.ed.gov.

Additional resources

Learn more about how you can pay for college or repay student loan debt at cfpb.gov/paying-for-college

Keep in mind

Switching to a repayment plan with a lower monthly payment often means paying **more over the life of your loan**.

If you have federal loans...

Learn more about the total costs on your federal loans with the "Repayment Estimator" at studentloans.gov.

Have questions about your federal loans or ready to enroll in a new repayment plan?

Call your servicer or visit studentloans.gov. Ask about interest rates or ask if you qualify for other plans. Learn more at studentaid.ed.gov/repay-loans.

If you have private loans...

To learn more about the total costs or payment plan options, contact your private loan servicer directly.

Use this **student loan checklist** to understand your payback options.

- 1 Mark the circle that describes where you are with your monthly student loan payments.
- 2 See what options you may be eligible for based on the circle you marked and the type of student loan you have.

? WHERE ARE YOU WITH YOUR LOAN REPAYMENT?

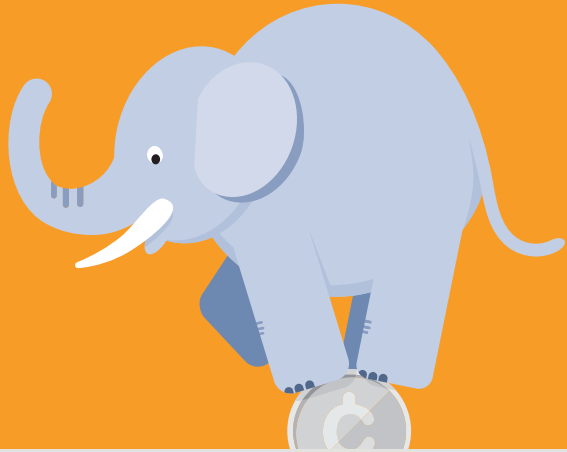


i WHAT CAN YOU DO?

MY LOAN IS FEDERAL	Consider changing your monthly payments with a new repayment plan. There is never a fee to change your plan. With the income-driven repayment plans, monthly payments are based on your family size and household income. You do not need to have a job or income to qualify for this payment plan, and may even qualify for a \$0 monthly payment. Learn more at studentaid.ed.gov/repay-loans.	Get your loan back on track by contacting your collector and asking for a loan rehabilitation plan. Your collector can set affordable payments based on your household income and size.	Reach out to your loan servicer. Contact your loan servicer to find out your repayment status. Then, use this tool to see your options.
MY LOAN IS PRIVATE	Your lender may have an alternative payment program that lowers your monthly payments for a limited period of time. Ask for help early to avoid falling further behind. Contact your student loan servicer to find out if you're eligible for an alternative payment program. Your student loan servicer is the company that sends you a bill each month. Their contact information is listed on your monthly bill.	If your private student loan is in default, work with your collector to establish a repayment plan.	

DEBT ACTION PLAN

What can I do to reach my goals?



This tool will help you:

- **Set goals** to build toward the future you want
- **Take steps** to get a handle on debt and achieve your goals
- **Identify resources** that can help you
- **Track** your progress
- **Pick a payback strategy** that works for you

Keep in mind:

Debt is money you owe. Whether you took out a loan, used a credit card, or got behind on a bill payment, it's debt.

While borrowing money might give you something you want or need today, you might have **monthly payments** for months or years to come. This can limit your options in the future.

Start with one question:

What are your goals?

A step further

If your goal is to **reduce your debt**, and you can pay more than your scheduled monthly payments, you might want to think about choosing a payback strategy that helps reduce your debt.

START OFF SMALL



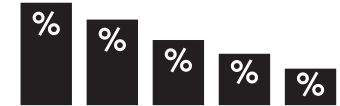
After you've made all your minimum payments, increase your payment on the **smallest debt**. After it's paid off, add that amount to your payment on the next smallest debt.

Pro: If you have many small debts, you might see progress quickly by reducing the number of debts you owe.

Con: If the interest and fees are high on your larger debts, you might pay more overall if you pay off the smaller ones first.

☐ I will use this strategy and will start with these debts:

HIGHEST INTEREST RATE



After you've made all your minimum payments, increase your payment on the debt that has the **highest interest rate**. After it's paid off, add that amount to your payment on the next highest-rate debt.

Pro: You get rid of the most expensive debt first. By paying off the debts that charge you the highest interest and fees, you get more bang for your buck.

Con: You might not feel like you're making progress very quickly, especially if that debt is large.

☐ I will use this strategy and will start with these debts:

Use this **debt action plan** to make your goals a reality.

- 1 Consider your goals and how debt could get in the way.
- 2 Set a goal, make a plan, and consider what resources can help you.

What goal is your debt keeping you from reaching?

What I want to achieve:		
List steps you'll take Examples: Ask to change due date, pay \$20 more on my credit card	Resources Include organizations and people that can help you.	Date to complete
1		☐
2		☐
3		☐
4		☐
5		☐

SEASONAL SNAPSHOT

How do my expenses change during the year?



This tool will help you:

- **Think about** expenses that led to debt last year
- **Plan** for expenses that could lead to debt this year
- **Take action** to keep these kinds of expenses from turning into new debt

Keep in mind:

Many expenses repeat each month, like utilities, mortgage, rent, or a cell phone bill. **Other expenses can vary from month to month** and can sometimes **lead to debt**. These expenses might include:

- Seasonal car maintenance
- Back-to-school expenses
- Insurance or tax payments

Start with one question:
What were your biggest unexpected expenses last year?

A step further

How can you keep these expenses from becoming debt?

Pay cash instead of using credit. Can you pay in cash instead of borrowing money?

Save on utility costs. Check to see if you're eligible for energy assistance or weatherization programs that can help lower your monthly costs.

Plan ahead. Are there times of the year you can plan ahead for tighter months?

When do you receive or save more money than usual (tax refund, overtime, second job)?

Set aside money when you can. You've identified times that you receive or save more money than usual. Now, make a plan for how to use that money to cover these kinds of expenses.

This year, when I receive or save _____

I will set aside \$ for _____

See how **seasonal and unexpected expenses** led to debt last year.

- 1 Write down expenses that led to debt last year and the amounts (\$) you owed for each.
- 2 Circle the expenses that could lead to debt again. Then, fill out the column on the right.
- 3 If your income is seasonal, draw a box around the months you receive money.

First, think about **last year**.

Now, think about **this year**.

		Fill in any quarterly, seasonal, or emergency expenses.	Fill in the amounts you owed for each.		What expenses do I need to prepare for this year? Fill in when they might occur.
 Examples: holiday gifts, heating	DEC				
	JAN				
	FEB				
 Examples: home repairs, car repairs, taxes	MAR				
	APR				
	MAY				
 Examples: summer activities, car insurance bill	JUN				
	JUL				
	AUG				
 Examples: back-to-school supplies, new clothes	SEP				
	OCT				
	NOV				

PRIORITIZING DEBT PAYMENTS

Which debts do I prioritize in tight months?



This tool will help you:

- **Understand the consequences** of missing or delaying payments when you can't pay the monthly minimum
- **Figure out the trade-offs** in your situation
- **Create a plan** to make this month's most important debt payments

What you'll need:

- ☐ Any overdue notices
- ☐ Any letters that threaten eviction, foreclosure, repossession, default, or discontinuation of service

Start with one question:

How do you decide which debts to pay first?

A step further

Use this monthly snapshot to better understand how much money you can use to pay your debts. It will also help you balance your income, expenses, and debt payments.



How much money do you receive each month?

\$

Some sources might be:

- Primary and second jobs
- Government programs
- Disability benefits
- Financial support



Subtract your monthly expenses

– \$

Besides debt payments, examples of monthly expenses might be:

- Rent and utilities
- Transportation
- Education and childcare
- Cell phone
- Groceries



What's left can be put towards paying debts

\$

Keep in mind

Falling behind on secured debt payments can be especially risky. If you miss payments, you can lose things like your car or house.

Estimating your monthly spending is a good start. If you want a clearer picture of where your money goes, track your spending for a month using the "Spending Tracker" in the CFPB's "Behind on Bills" booklet or "Your Money, Your Goals" toolkit at cfpb.gov/your-money-your-goals.

Weigh the **risk** of making a late debt payment.

First, think about your debts.



To keep or get a job,
I need to pay:

- ☐ Auto loan
- ☐ Auto title loan
- ☐



To stay housed and keep utilities on, I need to pay:

- ☐ Back rent
- ☐ Mortgage
- ☐ Past-due utility bills
- ☐

TIP: Late mortgage payments or an eviction can make it harder to find a new place to live.



Obligations I need to pay:

- ☐ Court-ordered judgments and obligations such as back child support or past-due fines/court fees
- ☐



Other debts:

- ☐ Credit card debt
- ☐ Debts in collection
- ☐ Loans from friends and family
- ☐ Medical debt
- ☐ Past-due bills
- ☐ Payday loans
- ☐ Student loans
- ☐

TIP: Credit card companies may raise your interest rates if you pay more than 60 days late.

Now, **prioritize** your payments.

Ultimately, you're responsible for paying all of your debts on time. But, if you have to delay some payments, think about the order you want to pay them in.

Highest priority payments (I'll pay these first)

[illegible]

Lowest priority payments

DEALING WITH DEBT COLLECTORS

How do I respond to a debt collector?



This tool will help you:

- **Take actions to verify** whether the debt is valid
- **Know how to dispute** the debt if you do not owe it
- **Know what to do next** if you do owe the debt

Start with one question:

Are debt collectors contacting you?

Know your rights:

A debt collector *cannot*:

- Call repeatedly to harass or abuse you
- Use obscene language
- Make a false or misleading statement about what you owe
- Publish your name for not paying a debt
- Lie to you

If debt collectors harass you, they may be violating the law.

Need to submit a complaint?

cfpb.gov/complaint

Additional resources

Have more questions about debt collection?

Find CFPB debt collection resources, including sample letters you can send to debt collectors, at cfpb.gov/debt-collection.

Having an issue with a debt collector? Submit a complaint with the CFPB at cfpb.gov/complaint.

Need help finding a credit counselor? To find a certified credit counselor, visit usa.gov/debt.

Need help finding an attorney? To find an attorney in your state who can advise and represent you if you are sued on a debt, visit cfpb.gov/askcfpb/1433.

If a debt collector contacts you, don't ignore it!



Ask for information.

If you're not sure about the debt or the amount, ask for more information (or send a letter or the form to the right).

- ☐ Collector's name and address
- ☐ Original creditor's name and address
- ☐ Account number
- ☐ Amount owed
- ☐ When account became delinquent
- ☐ When collector obtained the debt and the amount it was then
- ☐ Whether the debt's statute of limitations has expired (and you can no longer be sued for the debt)
- ☐ Documentation proving you're required to pay
- ☐ A copy of the last bill

Be cautious. No matter what debt collectors say, you don't have to give sensitive info like your full Social Security or bank account numbers.

Keep records. Write down dates, times, and notes for every call. Save everything debt collectors send you and the original copies of anything you send them. These will help if you have a dispute or go to court.



Resolve.

If the debt is not legitimate, don't delay in disputing the debt! Send the debt collector a letter (or use the form to the right) disputing the debt immediately. You may lose your ability to dispute the debt if you wait until after a court issues judgment.

If the debt is legitimate, don't despair!

At least now you know what you're dealing with. You still have options:

- Try to settle with the debt collector for a smaller amount that will fully resolve the account. (You can do this yourself by contacting the collector.)
- OR, negotiate a payment plan that will give you more time to pay down your debt.
- OR, pay the debt in full and move on.

If you're sued by a debt collector, be sure to respond to court documents. If you don't respond, the court will usually assume you agree with what the creditor says, and issue a money judgment against you. You may want an attorney to advise or represent you at the hearing.



I want to dispute this debt because I think:

- ☐ This is not my debt.
- ☐ The amount is wrong.
- ☐ I do not think that you are the right person to pay.
- ☐ I already paid this debt in full or settled it.
- ☐ Other: _____

My name is _____

My address is _____

I am writing about _____

Check all that apply: _____
account number

☐ I want to ask: _____

☐ Send me the dates the debt was incurred, and the name and address of the original creditor. _____

RESOURCE CARDS

Who else can I turn to for help?



These resources may help you:

- **Get** your mortgage back on track to save your home
- **Manage** medical bills
- **Deal** with debt
- **Get a response** from banks and debt collectors
- **Find** a lawyer

What to do:

1. **Add** any relevant local resources
2. **Photocopy and cut** into eight referral cards
3. **Keep** the cards in your wallet or a handy place

Start with one question:

Is there anything else about your debt you're concerned about?

Keep in mind

Dealing with debt settlement companies can be risky. Some debt settlement companies promise more than they can deliver. Consider all of your options, including working with a nonprofit credit counselor.

Certified credit counselors can advise you on managing your money and debts. To learn more, visit cfpb.gov/askcfpb/1451/.

Avoid doing business with any company that promises to settle your debt if the company does any of these:

- tells you to stop communicating with your creditors
- tells you it can stop debt collection calls and lawsuits
- charges any fees before it settles your debts
- guarantees it can make your debt go away
- guarantees that your unsecured debts can be paid off for pennies on the dollar
- says it has a "new government program" to bail out personal credit card debt



Need help with rent, mortgage, or utility payments?

- _____
- _____
- If you think you may be in danger of foreclosure, call the Homeowner's HOPE Hotline: 888.995.HOPE



Need help finding a lawyer?

- _____
- You may qualify for free legal services through legal aid, depending on your income and where you live. Check your state's Legal Aid Directory visit: cfpb.gov/askcfpb/1549



Need help finding a credit counselor?

- _____
- To find a certified credit counselor, visit: usa.gov/debt



Need help with...?

- _____
- Have money questions? Visit "Ask CFPB": cfpb.gov/askcfpb



Need help getting a bank or debt collector to respond?

- _____
- Submit a complaint with the CFPB: cfpb.gov/complaint
- Contact your state attorney general's office: naag.org/naag/attorneys-general/whos-my-ag.php



Need help with student loan debt?

- _____
- To find out more about student debt, visit: cfpb.gov/paying-for-college



Need help with medical bills?

- _____
- To find out how to contact your state Medicaid center, visit: medicaid.gov/about-us/contact-us/index.html
- To find out about a charity care reduction on a hospital bill, contact the hospital



Need help with...?

- _____
- _____
- _____

For more information, service providers can refer to the full “Your Money, Your Goals” toolkit online at cfpb.gov/your-money-your-goals

If you’re having a problem with a bank account, credit card, student loan, consumer loan, or other financial products or services you can submit a complaint with the CFPB at cfpb.gov/complaint

For answers to commonly asked questions you might have about other money matters, visit “Ask CFPB” at cfpb.gov/askcfpb

Mail

Consumer Financial Protection Bureau
P.O. Box 2900, Clinton, IA 52733-2900

Toll-free phone

855.411.2372

Monday–Friday

8:00 a.m.–8:00 p.m. (EST)

TTY/TDD phone

855.729.2372

Fax

855.237.2392



Consumer Financial
Protection Bureau