



The FSAP Update

a newsletter from the Faculty and Staff Assistance Program

Spring, 2009

Dealing with Debt and Credit Problems

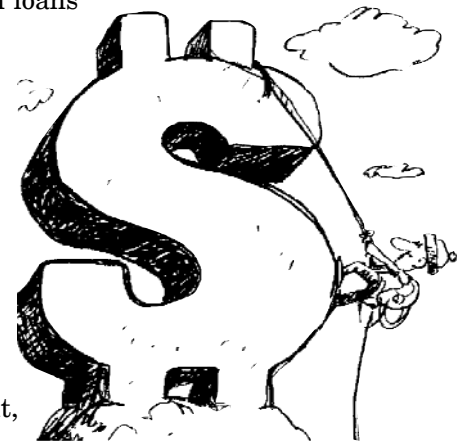
The Faculty and Staff Assistance Program is located on the ground floor of University Health Services, 150 Infirmery Way. Hours are by appointment, Monday – Friday, 8:30 a.m. – 5 p.m. For information or an appointment, call (413) 545-0350.

FSAP Online

Visit the FSAP website, www.umass.edu/uhs/services/fsap, for more information, news and resources.

Do you have debt trouble?

- An increasing amount of your income is going to debt payments.
- You pay only the minimum amount on loans and credit cards.
- You've reached your credit limits.
- You use credit cards to pay for things that you used to pay for with cash.
- Debt prevents you from contributing to your retirement plan.
- You experience worry, anxiety, or sleeplessness over debt problems.
- You've been in debt before, got out of it, but are burdened by debt again.



Take action now

The first step to resolving debt problems is to decide on the steps to accomplish your goal. This includes making a complete list of the amounts owed and the terms of payment for each amount.

Chances are you could use some advice on how to proceed. Many books exist on the subject. There are also non-profit organizations in every state; these can help you identify steps to take and provide other related services. These include working with your creditors to help make payments easier and advising you on the consequences of claiming bankruptcy, which should only be done with appropriate professional and legal guidance.

Credit repair scams

The Federal Trade Commission (FTC) warns not to believe ads on radio, TV, the Internet or in newspapers that offer to erase, for a fee, accurate negative information in your credit file.

Some of these companies promise to show you how to create a new credit history, using a new employer identification number. Then, they advise you to use it instead of your social security number when applying for credit. Misrepresenting your social security number is illegal. The FTC says virtually everything a credit service can do legally, you can do yourself.

Debt repayment services

Debt repayment services can work, but you should review the options available in your community. Before you do business with any company, check it out with your local consumer protection agency or the Better Business Bureau in the company's location. Some debt counseling service firms may charge high fees and fail to follow through on services they sell. Others may misrepresent the terms of a debt consolidation loan, failing to explain certain costs or to mention that you're signing over your home as collateral.

What the FSAP can do

The Faculty and Staff Assistance Program (FSAP) offers free, confidential consultation, information and referrals for employees of UMass Amherst and the UMass Five College Federal Credit Union, and for members of the Graduate Employee Organization at UMass.

The FSAP can direct you to resources such as budgeting and money management help, debt repayment service and financial counseling programs; help dealing with the stress of financial concerns is also available.

Call (413) 545-0350; learn more at www.umass.edu/uhs/services/fsap.

Federal laws governing debt and credit services

- **Fair Debt Collection Practices Act:** Governs the business practices of debt collection companies and protects consumers against illegal methods and invasion of privacy.
- **Fair and Accurate Credit Transactions Act of 2004:** Provides for a free credit report upon request once per year from Experian, Equifax, and Trans Union credit bureaus.
- **Federal Credit Repair Organizations Act:** Governs the business practices of credit repair organizations, and the services and information they provide to consumers.
- **Federal Telemarketing Sales Rule:** Addresses business practices of companies offering loans by phone and promising a loan for an advanced payment or fee.
- **Fair Credit Reporting Act:** Governs the management of information associated with consumer credit, reporting, dissemination of information, consumer rights to dispute errors, and time limits on the reporting of negative accurate information about credit.

This information is not intended to replace the advice of your healthcare provider. Please consult your provider or the FSAP for advice specific to your individual situation.

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<http://www.umass.edu/uhs/services/fsap>

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