

We would like to thank you for choosing Cricket Debt Counseling as your credit counseling provider. Below is a summary of the information you covered with your counselor.

It's important to understand what factors led you to be in the financial position that you're in now. You've told us that Poor Money Management contributed to your current financial situation. We definitely understand that some circumstances are out of your control while others are in your control. It's important to remember to make deliberate choices for those things you can control. Even during the toughest times staying in control of your spending and saving can help you regain control of your financial health. Understanding how to create a budget, sticking to it and adjusting when needed are the building blocks for a strong and healthy financial future.

### Poor money management

Managing money is not something we are born knowing, it's a skill we have to learn. Like every skill, the more you practice the better you get.

The material we cover in this counseling session is designed to help you build those skills and learn to manage your money instead of letting your money manage you. It takes some practice and in some cases a whole new way of thinking about money but it is something that everyone can do. In fact, managing your money is the most important part of overall financial health.

### Financial Situation and Budget

Based on the information in the budget you provided, here is your cash flow summary:

Your net monthly income	\$4,000
Your monthly payment obligations*	\$5,045
<b>Falling behind</b>	<b>\$1,045</b>

*\*This includes monthly expenses, mortgage payment (include property taxes and homeowner's insurance), primary vehicle payment, student loan payments, tax and tax lien payments*

You also have some debts that are not typically discharged in a bankruptcy: tax debt, student loan debt. You'll need to keep those in mind as you plan your budget.

With that in mind, our recommended plan of action is bankruptcy because you do not have the means to pay off a significant amount of your debt in a reasonable time frame.

Controlling your costs and having a sustainable budget is important for your financial health and to prevent you from getting into a situation like this again. The table below lists the government's recommended spending guidelines along with what you are actually spending. Items in red mean that you are spending more than the recommended amount, and those will need to be reduced.

Expense	Recommended		Actual Spending	
	%	Amount	%	Amount
Housing	25%	\$1,000	55%	\$2,188
Transportation	15%	\$600	21%	\$850
Utilities	10%	\$400	21%	\$840
Food	10%	\$400	10%	\$400

Clothing	5%	\$200	3%	\$100
Medical	10%	\$400	3%	\$110
Personal	5%	\$200	3%	\$100
Entertainment	5%	\$200	3%	\$100
Other	5%	\$200	9%	\$357
Savings	10%	\$400	0%	\$0
<b>Total</b>	<b>100%</b>	<b>\$4,000</b>	<b>128%</b>	<b>\$5,045</b>

As a reminder, some of the money saving ideas we presented include:

**Housing**

- Even though it's not an option for everyone, getting a roommate can help offset some expenses.
- Modifying your home loan might free up some extra cash. If you haven't already, you might want to discuss a loan modification with your lender.

**Transportation**

- Rather than run several errands a week, try to get as many as you can done in one day. Not only will it save you money on gas, it will save you time in the long run.
- Before purchasing a new car, decide if you can keep your current one a little longer.

**Utilities**

- Check with each of your utility providers to see if they offer a metered or averaged plan. Many utilities are willing to work with you to help lower your costs - sometimes you just have to ask.
- Avoid those extra charges! Making every effort to pay your bills on time will help avoid late fees and penalties.

**Savings**

- Pay yourself first - don't forget to set aside some money each month for savings. Even if it's just a small amount you'll end up saving money and building good habits.
- Think about saving money each day - skip the expensive coffee drink and put the money you saved in a savings account. Look for other items you can cut out and put that money into your savings account also.

**Budgeting**

- Share accountability with friends and relatives, let them know that you're on a budget and that you need their help sticking to it.
- Remember the most basic principle: Don't spend more than you have.

**Other**

- Never give up. Whenever the struggle against debt feels like it's too much, read a personal finance blog, money saving advice websites and tips and tricks for saving money. Remember that there are a lot of people out there fighting the same fight.

Please don't forget that you have 180 days from the day your certificate was issued to go back into your account and update your financial information or try out different scenarios. We strongly encourage you to take advantage of the opportunity.

On behalf of everyone at Cricket Debt Counseling, thank you for the opportunity to be of service, and we wish you a happy and healthy financial future!