



# DOLLAR\$ and \$ENSE

Personal finance newsletter 3Q 2018



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## Scam Alert — Eliminating Tax Debt



Have you seen advertising for promises of help lower IRS debt if you owe more than \$10,000 in taxes and wondered if

it's a scam? It is!

Based on interviews with people who went down this path, here's what happens: You call. They take your information, your money, and you send them documents — W-2 forms, 1099s, etc. Then you wait. And wait. And wait. You call back. You are told they are processing your application or that they are waiting for a response from the IRS. You call again, but this time you can't get anyone to explain why it's taking so long for you to get relief.

You've been had. And the money you've spent could have been used to pay down your tax debt.

What tax debtors don't know is that the "pennies-on-the-dollar" deal the companies claim they can get involves what's called an "Offer in Compromise," or OIC. Although this is a legitimate program offered by the IRS, it's intended to help debtors who are so financially down it's unlikely the IRS could collect all that is owed.

The tax-debt relief companies often don't adequately disclose that getting an OIC accepted is a Herculean process. To qualify, the IRS will look at your income, expenses, ability to pay and, most importantly, whether you have any assets — including equity in your home.

## "Forty Under 40" Honoree

The Northwest Arkansas Business Journal recently chose CCOA Executive Director Alden Napier as a "Forty Under 40" award winner.



The publication annually honors 40 individuals under the age of 40 in six northwest Arkansas counties who were nominated as best in class by their peers in all industries for making a positive difference in their professions and their communities.

The honor is especially significant due to the exceptional quality of companies, and subsequent professionals, headquartered in Northwest Arkansas, including Wal-Mart, Sam's Club, Tyson Foods and J.B. Hunt.

*Congratulations, Alden!*

## Arkansas Has Second Lowest Income

Arkansas has the second lowest average household yearly income (\$58,850) in the nation, according to MSN Money. CCOA has been helping



thousands of people for 23 years to break the cycle of living paycheck-to-paycheck and to become debt free.

## New Mobile-Optimized Website

Our new and much improved website is now up and running! Most people visiting our website come from a mobile platform, such as a smartphone or tablet, so we are excited to have our first fully mobile-optimized website. Also, it will be a more helpful platform for us to offer more educational content, resources and tools. Visit [CCOAcres.com](http://CCOAcres.com).

## A Brighter Financial Future



Since 1995, thousands of people have achieved financial freedom with CCOA's Debt Management Program (DMP). It has helped people get relief from financial stress as they paid down their credit card and medical debts. Key points about the DMP:

- A DMP can lower your monthly payments, which can be a tremendous financial stress-reliever.
- Your interest rates could be greatly reduced, allowing you to make faster progress paying off debt and save perhaps thousands of dollars in interest.
- Late fees and over-limit fees can stop.
- The DMP goal is to pay your unsecured debt back and become debt-free.
- It's NOT debt *settlement*. Debt *settlement* greatly hurts your credit score, pays back only part of what you owe (settling the debt for less), and can result in owing taxes to the IRS on the forgiven debt.
- FICO credit scoring takes no points off your credit score for going on a DMP. And as your debt goes down, your credit score goes up.
- DMP clients pay a monthly payment to CCOA. CCOA then pays your creditors. Many people enjoy simply making one payment to CCOA to pay their creditors rather than making eight different payments, for example.

For a brighter financial future, contact us today!

## Smart Money Project

CCOA was selected as one of four NFCC agencies to form a working group in order to address a critical industry-wide issue identified through a survey of credit counseling agencies nationwide.

The initial challenge was: "How might we help consumers identify warning signs of troublesome debt before it's too late?" Part of the working

group's task is to refine and sharpen the challenge question before exploring possible solutions and measuring the impact of tested solutions. After an on-site visit at one of the other participating agencies (CCCS of Rochester, NY), we're continuing to revise the challenge and redefine terms. In August, representatives from the partnering agencies will be gathering here at our office to continue this work. These efforts are underwritten by Capital One Financial's community development office.



## All-Time High \$1 Trillion Card Debt

Americans racked up \$92.2 billion in credit card debt during 2017, pushing outstanding balances past \$1 trillion for the first time ever, according to Federal Reserve data.

The average household owes a record \$8,600, which is \$138 more than at the height of the Great Recession.



We can help! Contact us for a free budget & credit counseling appointment with certified credit professionals. Call 479-521-8877 or request an appointment at [www.ccoacres.com](http://www.ccoacres.com).

## Online Home Buying Education

We offer a \$99 online Home Buying Class through eHome America in English and Spanish. Take the class from your computer or mobile device when it is convenient for you. Register at [www.CCOAcres.com](http://www.CCOAcres.com) and find the eHome America link "eHOME ONLINE" at the top of our Home page.

## Free Home Buying Classes

Free classes. To register, email [billr@ccoacres.com](mailto:billr@ccoacres.com), call (479) 521-8877, or register on our website. Class times are all 9 a.m.-2:30 p.m. on Saturdays.

**Aug. 4, Arvest Bank 201 NE A Street, Bentonville**  
**Sept. 8, United Bank, 2790 S. Thompson, Springdale**  
**Oct. 6, United Bank, 2790 S Thompson-Springdale**  
**Nov. 3, Arvest Bank 201 NE A Street, Bentonville**  
**Dec. 1, United Bank, 2790 S Thompson-Springdale**

A complete overview of the home buying process, including Q&A with representatives from the Realtor, mortgage lender and insurance industries. It's a prerequisite for some mortgage programs and down payment assistance loans.

# CCOA Privacy Policy

**CCOA is committed to maintaining the privacy of individuals and/or families who have contacted us for assistance.**

All information shared both verbally and in writing will be managed within legal and ethical considerations.

Your personal financial information – such as your total debt information, income, living expenses and personal data concerning your financial circumstances – will only be provided to creditors, and possibly others, with your specific authorization.

We may also use aggregated case file information for the purpose of evaluating our services, gathering valuable research information and designing future programs. Your anonymity will be maintained through the use of your client number or by using aggregate data in all circumstances.

In all other situations, your information may be released to appropriate individuals or agencies **ONLY UPON YOUR WRITTEN REQUEST OR when our staff has been served by a valid subpoena.**

The following **PRIVACY PRACTICES** detail circumstances under which we will release your information to a third party:

1. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.
2. We may compile data and aggregate information that you give to us, but this information may not be disclosed in a manner that would identify you in any way.
3. We may disclose some or all of the information that we collect, as described below, to creditors, or third parties that you have authorized who need this information in order for us to assist you after a counseling session.
4. We may disclose all of the information that we collect, as described below, to creditors and related financial institutions that need this information in order to put you on a Debt Management Program (DMP).
5. As referenced above, we collect nonpublic personal information about you from the following sources:
  - Information we received from you on our applications or other forms you provide;
  - Information about your transactions with us, your creditors, or others; and
6. We may disclose the following kinds of nonpublic personal information about you:
  - Information we receive from you on applications or other forms, such as your name, address, Social Security number, assets, and income.
  - Information about your transactions with us, your creditors, or others, such as your account balance, payment history, parties to transactions and credit card usage; and
  - Information we receive from a credit reporting agency, such as your credit history.