



Coastal Credit Solutions

## *Financial Analysis Report*

Prepared For:

---

---

**Sample Client & Sample CoClient**

Date:

Tuesday, June 09, 2009

Prepared By:

Credit Counselor

4747 Viewridge Ave #200

San Diego, CA 92123

Phone: 866-206-5532 ext.

Fax: 866-206-5532

Website: [www.coastalcreditsolutions.com](http://www.coastalcreditsolutions.com)

Email: [info@coastalcreditsolutions.com](mailto:info@coastalcreditsolutions.com)

## BUDGET ANALYSIS

### Summary

Total Income	\$5,500.00
Total Expenses	\$5,537.50
Total Difference	(\$37.50)
Expenses/Income %	100.68 %

## Debt-to-Income Ratio

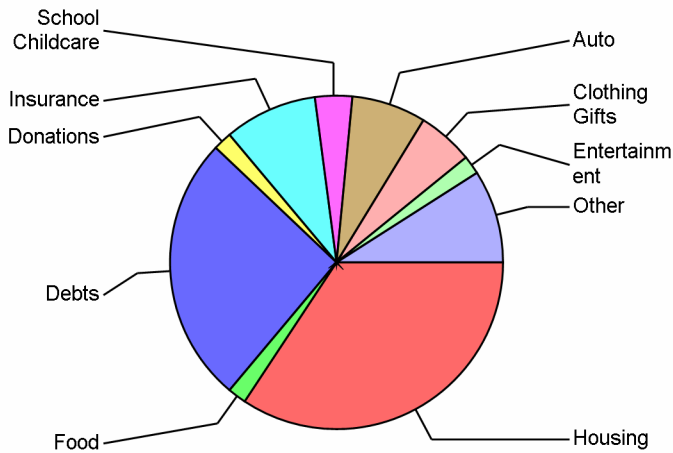


**Your Debt-to-Income Ratio: 51.59%**

When applying for loans, most lenders will evaluate your credit score. Another tool used to analyze your credit worthiness is your debt-to-income ratio. The closer you are to 0%, the more likely you will be approved for a loan.

0-42%	Safe Zone = Most lenders consider 0-36% a good debt-to-income ratio. 37-42% is considered fairly safe, but could still use some improvement.
43-49%	Caution Zone = People living in the 43-49% range are labeled as risky when it comes to credit worthiness.
50% and above	Danger Zone = Nearly all financial experts agree that paying 50% or more of your income to debt payments is extremely risky.

### Percent of Expenses



### Category Breakdown

Categories	Total \$	Target % * of Income	Actual % of Income	
Housing	\$1,900.00	30 %	34.5 %	Caution
Food	\$100.00	10 %	1.8 %	Safe
Debts	\$1,437.50	5 %	26.1 %	Danger
Donations	\$100.00	10 %	1.8 %	Safe
Insurance	\$500.00	5 %	9.1 %	Danger
School/Childcare	\$200.00	5 %	3.6 %	Safe
Auto	\$400.00	10 %	7.3 %	Safe
Clothing & Gifts	\$300.00	5 %	5.5 %	Caution
Investments/Savings	\$0.00	10 %	0.0 %	Safe
Entertainment	\$100.00	5 %	1.8 %	Safe
Other	\$500.00	5 %	9.1 %	Danger

\* Target % of Income is a general guide.  
 Each individual's financial situation is unique and some categories' targets may not apply.

## CURRENT SITUATION ON YOUR OWN

### Summary

- \* Your Current Total Debt is \$37,500.00
- \* Your total monthly payment is \$1,037.50
- \* Your average annual interest rate is 24.00% (APR).
- \* At this rate it will take 48 years 7 months to pay off your debt.
- \* Your projected debt-free date is January 2058.
- \* The total cost to pay off your debt is \$134,848.67

### Creditor Breakdown

Lender	Account Number	Balance	APR	Months Behind	Current Payment	Interest Payment	Nuisance Fees	Principal Amount
Chase (Visa/Master)	xxxx-4444	\$10,000.00	24.00 %	0	\$325.00	\$200.00	\$0.00	\$125.00
Citibank (Visa/Master)	xxxx-2222	\$10,000.00	24.00 %	0	\$325.00	\$200.00	\$0.00	\$125.00
American Express	xxxx-5666	\$5,000.00	24.00 %	0	\$125.00	\$100.00	\$0.00	\$25.00
HSBC (Visa/MasterCard)	xxxx-8888	\$5,000.00	24.00 %	0	\$125.00	\$100.00	\$0.00	\$25.00
Bank of America (Visa/Master)	xxxx-7777	\$7,500.00	24.00 %	0	\$137.50	\$150.00	\$0.00	(\$12.50)
<b>Totals:</b>		<b>\$37,500.00</b>	<b>24.00%</b>		<b>\$1,037.50</b>	<b>\$750.00</b>	<b>\$0.00</b>	<b>\$287.50</b>

### Your Possible Options

- 1 Handle debt on your own
- 2 Enroll into a Debt Management Program.
- 3 Enroll into a Debt Settlement Program.
- 4 Liquidate assets (stocks, savings, equity, personal items, etc.).
- 5 Declare bankruptcy.

## DEBT MANAGEMENT PROGRAM (DMP)

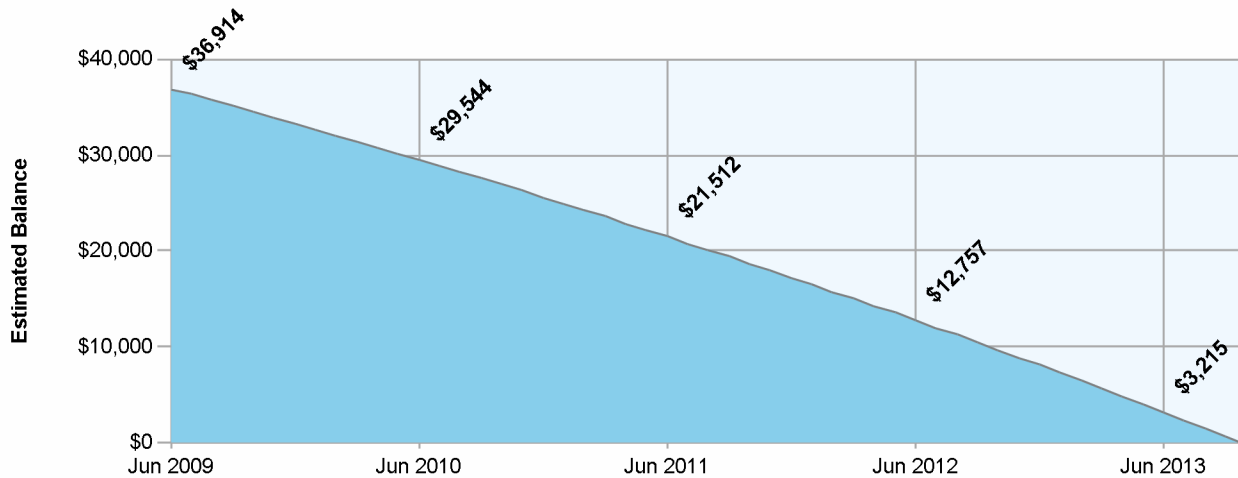
### Your Benefits on DMP

- \* A Lower Monthly Payment
- \* One Convenient Payment
- \* Lower Average Interest Rate
- \* Lower Monthly Finance Charges
- \* Debt free in 4 years 5 months
- \* Your projected debt-free date is November 2013.

### Creditor Breakdown

Lender	Account Number	Balance	Proposed DMP Payment	* Projected DMP APR	
Chase (Visa/Master)	xxxx-4444	\$10,000	\$208	6.00 %	
Citibank (Visa/Master)	xxxx-2222	\$10,000	\$240	9.90 %	
American Express	xxxx-5666	\$5,000	\$130	9.99 %	
HSBC (Visa/MasterCard)	xxxx-8888	\$5,000	\$121	9.90 %	
Bank of America (Visa/Master)	xxxx-7777	\$7,500	\$157	9.00 %	
Monthly Service Fee			\$40	0.00 %	
* Interest Rates are projected & subject to creditor approval.		<b>Totals:</b>	<b>\$37,500</b>	<b>\$896</b>	<b>8.69 %</b>

Debt Management Program Periodic Balance Reduction



## COMPARISON: ON OWN VS. ON DMP

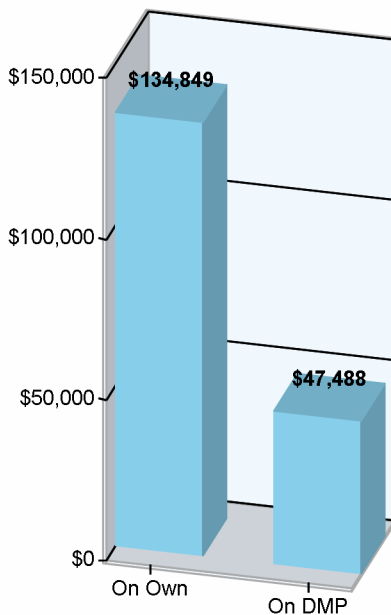
### Estimated Savings Analysis on DMP

	On Own	* On DMP	Savings
Monthly Payment:	\$1,037.50	\$896.00	\$141.50
Average APR:	24.00 %	8.69 %	15.31 %
Monthly Interest Payment:	\$750.00	\$271.63	\$478.38
Monthly Principal Payment:	\$287.50	\$584.38	\$296.88
** Duration of Payments:	48 years 7 months	4 years 5 months	44 years 2 months
<b>Total Cost:</b>	<b>\$134,848.67</b>	<b>\$47,488.00</b>	<b>\$87,360.67</b>

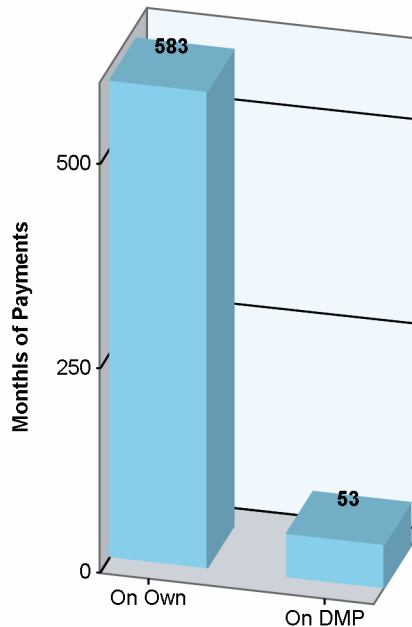
\* All figures displayed in this chart are estimates. Inaccurate balances, incorrect interest rates, and many other variables can result in incorrect estimates. Your monthly payment and average APR with the program are proposed figures and subject to creditor approval.

\*\* Duration On Own is based on the assumption that you continue to pay 2.77% of the balance on a monthly basis until a \$20 minimum payment is reached. As seen in the table, the price to pay for making only the MINIMUM payments can be high. Duration of Payments On DMP is based on making a FIXED payment – meaning that as your balances reduce, your monthly payment remains the same. A FIXED payment will allow much more of your money to go toward the principal as your balances decrease.

Comparing Costs to Pay Off Debt



Comparing Months to Pay Off Debt



## FACTS ABOUT DEBT MANAGEMENT

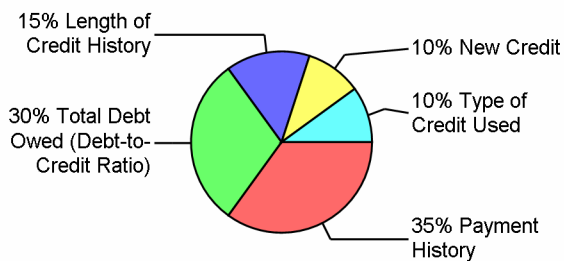
### The Basics of a Debt Management Program

With a Debt Management Program, you will be consolidating all of your unsecured bills into one simple payment. Each time a payment is made to the credit counseling agency (after your enrollment fee), it will be disbursed to all your creditors and post to your accounts within 15 days. While on this program, you will continue to get statements from your creditors reflecting the new benefits. On these statements, you will be able to verify payments are posting to your accounts and your balances are decreasing. You are not receiving a loan on this program. You will simply be taking advantage of a program made available by the creditors that allows you to repay your debt in a timely manner. While on the program, you can always pay more than the minimum payment or pay off your debt in full through the credit counseling agency without any penalties. Should you choose to cancel this service after enrolling, you can do so without penalty. However, your interest rates and payments will return back to your original terms.

### Credit Effect of Debt Management Program

- \* Creditors may place a footnote on each one of your accounts stating that you are using a credit counseling agency for assistance. According to myfico.com, this footnote does not factor into your credit score. Once you complete the program by paying off all your debt, this footnote should be removed by your creditors.
- \* The creditors require that each account placed on Debt Management Program is closed. When an account is closed, it may affect your FICO score. 30% of your FICO score is based on your Debt-to-Credit ratio. Closing down lines of credit can increase your Debt-to-Credit ratio. If you are concerned with your credit score, it is recommended that one and only one account remains off the program. Due to some creditors' guidelines, the credit limit on the account left off the program must be lower than \$5,000.
- \* Since payment history is the most important factor in calculating your credit score (35% of FICO Score), it is recommended to keep accounts current before, during & after enrolling into the debt management program. If you are unable to keep your accounts current during this timeframe, your creditors may report you past due. Most creditors (but not all) will re-age your account after 3 consecutive payments on the program, reporting your account back to a current status. If your account does not get re-aged, it is then recommended to make extra payments while on the program.
- \* The primary purpose of a Debt Management Program is to get you out of debt, not to improve your credit rating. Credit can be defined as the ability to borrow money. For most people with a lot of debt, borrowing more money is the last thing needed. A quote from the book, Rich Dad, Poor Dad explains it best: "More money seldom solves someone's money problems. Intelligence solves problems. There is a saying a friend of mine says over and over to people in debt. If you find you have dug yourself into a hole... stop digging."

### Five Factors That Make Up Your Credit Score



### Credentials of the Debt Management Company

- \* Been In business since February 2002
- \* 501(c)3 Non-profit organization
- \* Member of the Better Business Bureau
- \* ISO certified since August 2003
- \* Member of the American Association of Debt Management Organizations
- \* Customer Service Representatives are certified through the National Association of Certified Credit Counselors
- \* Over 5,000 clients have become debt free through the debt management program

## DEBT SETTLEMENT (DS)

### Benefits of Debt Settlement

- \* One Convenient Payment
- \* Lower Monthly Payment
- \* Debt free in 3 years 0 months
- \* Your projected debt-free date is June 2012.

### Creditor Breakdown

Lender	Account Number	Balance	* Estimated Settlement Amount	Estimated Savings
Chase (Visa/Master)	xxxx-4444	\$10,000	\$4,000	\$6,000
Citibank (Visa/Master)	xxxx-2222	\$10,000	\$4,000	\$6,000
American Express	xxxx-5666	\$5,000	\$2,000	\$3,000
HSBC (Visa/MasterCard)	xxxx-8888	\$5,000	\$2,000	\$3,000
Bank of America (Visa/Master)	xxxx-7777	\$7,500	\$3,000	\$4,500
		<b>Totals:</b>	<b>\$37,500</b>	<b>\$15,000</b>
			<b>\$22,500</b>	

\* Settlement amounts are projected & subject to creditor approval.

Down Payment (DP). A minimum of 5% is to be paid within the first 3 months. The larger the Down Payment amount, the less the recurring amount will be.

Recurring Payment (RP) The Recurring Payment (RP) begins after the Down Payment(s) have been made.

Months to Pay		5% down			10% down			15% down		
		3 months	2 months	1 month	3 months	2 months	1 month	3 months	2 months	1 month
12	DP RP	\$664 \$2,123	\$977 \$1,914	\$1,914 \$1,744	\$1,289 \$1,914	\$1,914 \$1,727	\$3,789 \$1,574	\$1,914 \$1,706	\$2,852 \$1,539	\$5,664 \$1,403
18	DP RP	\$664 \$1,289	\$977 \$1,211	\$1,914 \$1,142	\$1,289 \$1,164	\$1,914 \$1,094	\$3,789 \$1,032	\$1,914 \$1,039	\$2,852 \$977	\$5,664 \$922
24	DP RP	\$664 \$932	\$977 \$892	\$1,914 \$855	\$1,289 \$843	\$1,914 \$807	\$3,789 \$773	\$1,914 \$754	\$2,852 \$721	\$5,664 \$692
30	DP RP	\$664 \$734	\$977 \$709	\$1,914 \$686	\$1,289 \$664	\$1,914 \$642	\$3,789 \$621	\$1,914 \$595	\$2,852 \$575	\$5,664 \$557
36	DP RP	\$664 \$608	\$977 \$591	\$1,914 \$575	\$1,289 \$551	\$1,914 \$536	\$3,789 \$522	\$1,914 \$494	\$2,852 \$481	\$5,664 \$468

### Suggested/Recommended Terms

- |   |  |
|---|--|
| * \$976.50 for Down Payment.                        | * \$590.47 for Recurring Payment (includes service fee). |
| * 2 Down Payment Months.                            | * 36 Total Months (including DP Months).                 |
| * 5 % Down Payment Percent.                         | * \$15,000 Estimated Settlement Amount.                  |
| * \$1,875 Amount Collected During Down Payment.     | * 15 % Legal Fee Percent.                                |
| * \$375 Funds to Trust During Down Payment.         | * \$5,625 Legal Fee Amount.                              |
| * \$1,500 Legal Fees Collected During Down Payment. | * 23 Total Legal Fee Months.                             |
| * \$39 Monthly Service Fee.                         | * \$179 Monthly Finance of Legal Fees.                   |
| * \$4,125 Balance of Legal Fees After Down Payment. | * \$22,030 for total Cost of Program.                    |

## COMPARISON: ON OWN VS. PROGRAMS

### Estimated Savings Analysis on DMP and DS

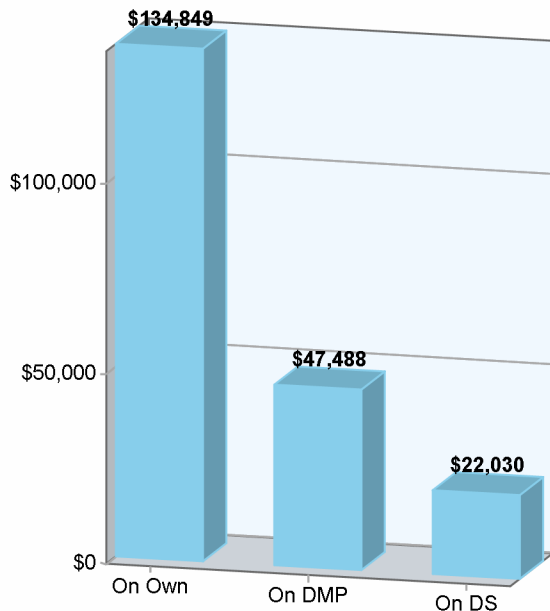
	On Own	* On DMP	On DS
** Monthly Payment:	\$1,037.50	\$896.00	\$591.00
Discretionary Income:	(\$37.50)	\$104.00	\$409.00
*** Duration of Payments:	48 years 7 months	4 years 5 months	3 years 0 months
<b>Total Cost:</b>	<b>\$134,848.67</b>	<b>\$47,488.00</b>	<b>\$22,030.00</b>

\* All figures displayed in this chart are estimates. Inaccurate balances, incorrect interest rates, and many other variables can result in incorrect estimates. Your monthly payment and average APR with the program are proposed figures and subject to creditor approval.

\*\* Monthly Payment on DS is Recurring Payment that begins after the down payment months.

\*\*\* Duration On Own is based on the assumption that you continue to pay 2.77% of the balance on a monthly basis until a \$20 minimum payment is reached. As seen in the table, the price to pay for making only the MINIMUM payments can be high. Duration of Payments On DMP is based on making a FIXED payment – meaning that as your balances reduce, your monthly payment remains the same. A FIXED payment will allow much more of your money to go toward the principal as your balances decrease.

**Comparing Costs to Pay Off Debt**



**Comparing Months to Pay Off Debt**

