

KREKELER LAW

REPORT



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DEAR SANTA, PLEASE WRITE ME A CHECK

A recent report on holiday shopping plans and finances found that about 55% of the respondents reported that money was their main source of stress during the holiday season. Despite this, more than half of those people planned to use their credit cards for holiday shopping, and they plan to spend about as much money as they did the previous year.

Take the current number of children in the US that are asking for the new iPad Air and multiply that by \$500.00. Then add tax and shipping costs. Thank goodness for elves and reindeer because without them, Santa would be a repeat client of Krekeler Law. On a similar note, what do the rest of us do? American Research Group, Inc. estimates that the average American plans to spend \$861 on holiday gifts this year.

Let's round that up to \$1000 to include food contributions and travel (gas). How many of us have \$1000 in cash lying around? Most Americans do not budget for holiday spending. So what do we do when we are not Santa? We put it on a credit card. Now that \$1000 can be paid off over time with the ease of small monthly payments. Good news, right? The Holidays just got even merrier!



Unless you do the math. If I pay the minimum amount monthly on my \$1000 Holiday, I will still be paying 143 months from now and I will have paid \$1,694.86. (Calculated with an APR of 25.99% and paying 3% monthly).

Credit Card companies could at least send a greeting card for the \$694.86 gift that they get from the average consumer.

Don't you wish you could afford to cover your Holiday spending in cash?

Our Tips for reducing this holiday stress:

- Credit a budget. Include everything and stick to it.
- Use cash when you can. This is not always possible, but try to avoid long term payments.
- Keep track of what you buy. The budget only works if you know you are within it.
- Shop with a list. Avoid impulse purchases.
- Remember what makes you happiest. My family has several holiday traditions that are worth far more than a gift exchange.

THIS MONTH'S SCAM

Mortgage Assistance

Debt relief scammers based in the U.S. and Canada have been fined \$5.7 Million for deceiving consumers and selling them phony mortgage assistance and debt relief programs.

The defendants conducted a telemarketing operation which proposed to help consumers with credit card debts, mortgage loans, student loans, and even auto debts. An up-front fee was charged, ranging from \$2,200 to \$10,000, with the promise that these monies would be used to pay off debt.

While courts can seek to grant redress to injured consumers, the best line of defense is to avoid dealing with people we do not know.

We routinely advise our clients not to deal with any entity outside the state of Wisconsin. Even then, it is best to inquire about the experience of any person being employed to assist with these sorts of debt issues.



Any legitimate attorney or other person engaged in this kind of work will fully describe the services to be rendered, as well as the timeline for those services, and the likely cost.

There are effective ways to resolve mortgage problems, and even to get loans modified. Be sure to obtain someone experienced in dealing with the problems you face.

The entire staff at Krekeler Law would like to wish everyone a safe Holiday Season filled with peace, love, and joy.

In honor of the Holidays, our office will be closed December 25 and January 1st.

We are open for you until 2pm on Christmas Eve and New Year's Eve.

DATING AND CREDIT SCORES?

Many of my clients worry more about their credit scores than they need to. Credit scores can be important however, and necessary if you want to borrow money to purchase a home or vehicle. There are even dating websites for people who require a good credit score for their match. (CreditScoreDating.com or DateMyCreditScore.com) A recent story in the New York Times noted that credit scores are becoming more common as filters on social websites.

Perhaps credit scores will become the new icebreaker, much like astrological signs were in the 1960's.

We are not aware of any source for free credit scores: However, all consumers are entitled to free credit reports under the Fair Credit Reporting Act.



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At annualcreditreport.com, you can get a free copy of your credit report every 12 months, from each of the 3 major credit reporting companies.

You can obtain all 3 at the same time, which is useful for comparison purposes. Or you can spread your requests out over each year to better help you monitor any changes or new information.

Many websites promise “free” credit scores, but all of them we have looked into are trying to sell some form of credit monitoring service. Most offer a short trial period, after which you will pay if you do not remember to cancel.

The effect of bankruptcy upon a credit score depends upon the situation. Some people find that their credit score increases after they receive their bankruptcy discharge. Your lawyer should be able to counsel you about rebuilding your credit score in any event.

DID YOU KNOW?

That more than 33 million bankruptcy cases have been filed since David Krekeler founded our firm in 1982?

CAN THEY REALLY STILL COME AFTER ME FOR THAT?

There is a limited amount of time during which a creditor can sue to collect an unpaid debt. This statute of limitations makes the debt uncollectible, or at least provides you with a defense to any suit, once that time limit is run.

In Wisconsin, the typical statute of limitations for garden-variety debts, such as credit cards or medical bills, or other contract claims, is 6 years. The 6 years is measured from the date of the last payment.

If you are sued and believe the debt may be barred by the statute of limitations, contact an attorney. The creditor's claim may be subject to a motion to dismiss or a motion for summary judgment. If you do not defend the suit, the creditor may obtain judgment against you and then exercise its judgment remedies, such as garnishment of your wages or bank account.

For questions on the statute of limitations, or anything relating to debtors and creditors, contact Krekeler Law.

WHERE'S KREKELER?

2014 is the 10th year in a row that David Krekeler has been named among Wisconsin's Super Lawyers. Only the top 5% of attorneys can be selected for this honor. David has been named as a Super Lawyer for every year the elite group has existed.

Kristin Sederholm and David Krekeler taught bankruptcy law to over 60 attorneys at the Volunteer Lawyer's Project (VLP) Fall Training. VLP is a Wisconsin organization with the mission to continue the tradition of pro bono legal services. The attorneys that volunteer time through VLP donate more than 9000 hours of legal work each year. This number does not include the caseload for their firm clients.

Krekeler Law believes in the mission of VLP. Every year, Krekeler Law attorneys donate their time to teach these volunteer Lawyers how to file Bankruptcies. David Krekeler also volunteers to oversee any Bankruptcy that a volunteer lawyer files, from start to finish.

VLP Volunteers take on cases like:

- A battered woman is evicted from her home because of an abusive boyfriend
- A mentally ill person who has been forced into bankruptcy
- An elderly homeowner faces collection on home-improvement work that was never actually performed

Have a question?

Idea for a future article?

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Contact Deanna at dgajewski@ks-lawfirm.com.