

**From ECI: A Few Words about Personal and Family Debt and  
The United States Economy**  
September 26, 2008

*Our problems are serious,  
Some problems are important enough to be a crisis, but  
Some areas of the economy are good and even very good,  
So it is not the time to panic!*

- I. **Be Prudent, Don't Panic.** At the writing of this Newsletter, Congress and the President are working on the economic situation. ECI takes no position on the varying proposals, but does advise Clients to pay attention and to listen to all sides of the discussions.
  - a. **We advise you to listen carefully and look at factual information before you become alarmed.**
  - b. Do **not** let fear and panic guide your decisions.
  - c. Make sure you understand the problems *and* the strengths and how they affect you before you make decisions that could disrupt you or your family.
  - d. Select your advisers carefully from professionals you can evaluate, not just politicians or media personalities.
  
- II. **Savings and Bank Accounts.** Do look at your banks, credit unions and any other institutions where you maintain savings or checking accounts.
  - a. **Be sure your Bank Accounts are in an FDIC-insured banks.**
  - b. **Be sure your Credit Union Accounts are in an NCUSIF insured credit unions.**
  - c. **Be sure your cash Retirement Accounts are in federally insured institutions.**
    - i. Remember: FDIC insures savings accounts up to \$100,000.
    - ii. If you have more than \$100,000 in an account, transfer that money to a different account – another federally insured bank or credit union is usually the easiest way to protect larger sums.
    - iii. Retirement accounts that are based on cash/savings are insured up to \$250,000 in federally insured institutions.
    - iv. Ask your bank for a pamphlet about federal insurance or go online to the Federal Deposit Insurance Corporation (FDIC) to learn about these insurance programs.
    - v. Ask your credit union for a pamphlet about federal insurance or go online to the National Credit Union Administration (NCUA), which administers the National Credit Union Share Insurance Fund (NCUSIF). NCUSIF provides insurance amounts similar to the FDIC.

- vi. *No one has lost any part of an account insured by FDIC up to the amount of \$100,000. If your account is \$105,000, for example, you face risk of loss of \$5000.*
  - 1. *Consider taking \$6000 to \$10000 from any of your accounts that exceed \$95,000 and open an account in another bank so you are below the insurance maximum and have some room for interest on your account. You will protect your current money plus interest your account earns over the next year or so without risk because each account will be insured in full up to \$100,000.*
- vii. We recommend a reprintable pamphlet called “Insuring Your Deposit,” you can read on-line or print: <http://www.fdic.gov/deposits>. The pamphlet is under “brochures” or its title at the FDIC website. Credit union information is at: <http://www.ncua.gov/ShareInsurance>.

- III. **Debt Management Programs.** Your Debt Management Program remains in effect under the terms and conditions set forth in your Agreement.
  - a. Your payments remain at the level set forth in your Agreement.
  - b. All processing and payments are being handled and will continue to be handled just as they have been handled under the terms of your Agreement.
  - c. The “news making” financial events about the real estate market, certain investment banks, federal loans and federal interest rates do not affect your Debt Management Program.
- IV. **Follow Your Budget.** Because of differing predictions and views of the economy, the best course for most individuals and families is to keep their own personal finances in order.
  - a. Follow your Budget carefully, and try to cut some of your expenditures so you can increase your savings.
  - b. Make sure your savings are maintained in a federally-insured account *unless you can afford to risk a portion of your money without insurance.*
  - c. Keep up with and, if possible, increase payments to reduce your debt.

Again:

**Stay Smart!**

**Reduce your Debt,**

**Save more at insured institutions and**

**Keep to your Budget!**