



Pro Rata Debts

Discover	\$1,200	\$150
Citibank Visa	300	45
MBNA Visa	200	25
Penny's	100	60
Sears	200	30
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TOTAL	\$2,000	\$310
Income	\$2,400	
Necessity Expense	- 2,200	
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Disposable Income	\$ 200	

Can't increase income anytime soon



Pro Rata Plan

Sheet 11

ITEM	TOTAL PAYOFF	TOTAL /DEBT	= PERCENT	DISPOSABLE X INCOME	= NEW PAYMENTS
Discover	1,200	/ 2000	= .60	X 200	= 120
Citibank	300	/ 2000	= .15	X 200	= 30
MBNA	200	/ 2000	= .10	X 200	= 20
Penny's	100	/ 2000	= .05	X 200	= 10
Sears	200	/ 2000	= .10	X 200	= 20



Pro Rata Sample Letter

Date: Feb. 22, 2006

From: Joe and Suzie Public
123 Anystreet
Anytown, ST 11111

To: Mega Credit Card Company
999 Main Street
Big City, ST 00000

Re: Joe and Suzie Public # 1234-5678-9012-9999

Dear Collection Manager:

Recently I lost my job, and my wife is employed in a clerical position. We have met with a financial counselor to assess our present situation.

We acknowledge our indebtedness to you of \$6,000 and fully intend to pay you back in full. However, you are one of six creditors to whom we owe \$42,968. We owe minimum payments of \$782 each month. We are not able to meet these minimum payments at the present time, and we are not planning on going into further debt to meet these obligations.

We have put together a basic necessities cash flow plan based on our take-home pay of \$2,340 per month (see the enclosed copy of cash flow plan). Since we have two small children and no disposable income currently to pay our creditors, we can not make a payment to you at the present time, but we do not intend to go bankrupt.

Consequently, we are asking for a moratorium on payments for the next 120 days. We will keep in close contact with you, and as soon as possible, we will begin making payments. If possible, we would like to request a reduction on interest during this time.

We are aware that this is an inconvenience to you, but we must meet the basic needs of our family first. We fully intend to pay our creditors all that we owe them. Please be patient with us. If you have any questions please contact us at 600-555-9876.

Thank you for your consideration of our present situation.

Sincerely,

Joe Public
Suzie Public

collection practices



Pro Rata Plan Letter

Date: _____

From: _____

To: Name of Creditor
Address

Re: Card holder name and account number

Dear: (If you know a specific person or, when contacting them by phone, get name of area or office supervisor.)

Recently (I have had to.....) Or (my husband had.....) changed jobs and have met with a financial counselor to assess our present situation.

We acknowledge our indebtedness to you of \$ _____, and fully intend to pay you back in full. However, you are one of _____ creditors to whom we owe \$ _____. We owe minimum payments of \$ _____ each month. We are not able to meet these minimum payments at the present time, and we are not planning on going into further debt to meet these obligations.

We have put together a basic necessities cash flow plan based on our take-home pay of \$ _____ per month (enclose copy of cash flow plan). Since we have _____ small children and no (or limited) disposable income currently to pay our creditors, we (can or cannot) make a payment to you (of \$ _____) at the present time, but we do not intend to go bankrupt.

Consequently, we are asking for a moratorium on payments for the next _____ (30, 60, 90, or 120) days. We will keep in close contact with you, and as soon as possible, we will begin making payments. If possible, we would like to request a reduction on interest during this time.

We are aware that this is an inconvenience to you, but we must meet the basic needs of our family first. We fully intend to pay our creditors all that we owe them. Please be patient with us. If you have any questions please contact us at _____ (phone number).

Thank you for your consideration of our present situation.

Sincerely,
(Signatures)