

# **DROWNING IN DEBT**

## **FINANCIAL DO'S & DON'TS**

**PENNSYLVANIA BLEEDING DISORDERS  
CONFERENCE, 2025**

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**Ethical Factor, Session Sponsor**

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# **NOTICE & DISCLAIMER**

**This information is general and informational and not to be construed as legal or medical advice.**

**You are urged to seek experienced legal counsel and medical providers for specific answers to your personal questions!**

# WHAT IS YOUR RELATIONSHIP WITH THE FINANCIAL INDUSTRY?

**GOOD**



**TENUOUS**



**AT ITS END**



# WHO MAKES THE FINANCIAL DECISIONS IN YOUR HOUSE?

- Nearly 90% of women assume control of finances!
- nearly 40% take the lead in their household's financial decisions and another 30% make financial decisions together with their partner.
- That leaves fewer than 12% where men assume the control

# COMMON FINANCIAL MISTAKES

- Excessive and Frivolous Spending
- Never-Ending Payments

Cable/Internet -\$217.42/mo



Cell \$144 /mo+  
Streaming \$46 /mo



# HOUSE OF CARDS!



Carrying balances on your credit card (average interest rate 22.63%) **YOURS?**  
**HOW MANY?**

Financing purchases instead of saving for them  
(down payment?)



Living on borrowed money

# **Additional Mistakes:**

- **Buying a New Car (7year /84 month loans?)  
(\$726 month new car notes --\$533 used,  
depreciation, Gap Insurance?)**
- **Spending Too Much on Your House**
- **Paying Off Debt With Savings**
- **Withdrawing retirement funds early**

# NAVY FEDERAL CREDIT UNION

## Cost of Car Ownership (COCO)

- COCO Index tracks the price of new and used vehicle sales, gasoline, maintenance, insurance and various fees
- COCO Index has indicated a 38% increase (100 to 137.6 points) in the total cost of owning a car over the last four years
- Do your homework.



# REPOSSESSION & CREDITOR ACTIONS



**EASY DOES IT ?**



# Pay Day Loans!!!!???

## Sponsored



Fast Loan Advance

<https://www.fastloanadvance.com>

**\$100-\$5,000 Paid in 5 Minutes**

Voted Best **Loan** For 2025 — No Credit Check **Loans**. Same Day Funding. Instant Approval. 100% No Upfront or Hidden Fees. Cash Straight To Your Bank. Millions of Satisfied Customers & Billions Borrowed. Act...

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[Payday Loans For Bad Credit](#)



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[Payday Loans, No Credit Check](#)



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[2-Minute Loan Application](#)



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[Get Same Day Approval](#)



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[#1 For Fast Cash](#)



# Paycheck Advances

**An Agreement between employer and employee**

**Employee accesses payroll prior to payday (various reasons)**

**Not same as Payday Loan from regular lenders (generally come with higher interest rates and fees)**

**In 2023 Payroll.org found 78% of Americans live paycheck to paycheck (without any savings)**

**An alternative to maxing out credit cards, overdrafts, or taking out high-interest predatory lender loans**

# **Downsides of Paycheck Advances**

- **High Interest Rates**
- **Less Money in the Next Paycheck**
- **Dependency**
- **Poor Financial Planning Skills**
- **More Stress**
- **average transaction \$106**
- **The average worker accessed \$3,000 per year**
- **Average annual percentage rate (APR) for a Paycheck Advance is 109.5% (per CFPB)**

# FAIR DEBT COLLECTIONS PRACTICES

- **The Fair Debt Collection Practices Act** is a federal law that governs debt collection agency practices for personal debts—including how and when a debt collector may contact you about
  - personal credit card account
  - auto loan
  - medical bills
  - mortgage



# **Protects Consumers from Unfair and Deceptive Collection Practices**

## **Examples:**

**Time and Place Restrictions**



**Written Notice of the Debt is Required (within five days of initial contact)**

**Collector Must Stop Contacting a Consumer if Debt is Disputed in Writing Within 30 Days of Notice**

**Know Your Rights**

# **A DEBT COLLECTOR CANNOT:**

- **Talk about the debt or delinquency with any other party other than the consumer**
- **Call before 8:00 A.M. or after 9:00 P.M.**
- **Communicate with the consumer's place of work if the consumer told the debt collector not to call**
- **Get in touch with the consumer if an attorney is known to represent the consumer**
- **Contact the consumer if the consumer sends written notice to the debt collector to halt communications or sends written notice to the debt collector that the consumer refuses to pay**

# **DEBT COLLECTORS CANNOT:**

- **Threaten the consumer with violence or other criminal activity**
- **Use any language of profane or obscene nature**
- **Print out a list of debtors or debts**
- **Call incessantly in an attempt to annoy or harass**
- **Call the consumer without identifying him/herself**



## How to Answer a Debt Collection Call

*What to say if a debt collector contacts you*

- 1) **Determine whether or not the call is legitimate**
- 2) Stay calm and be as polite as possible
- 3) **Avoid promises and actionable language**
- 4) Keep a call log



*Know Your Consumer Rights*

FINANCIAL GYM



## When all else fails!

- **Article I, section 8 (4), of the U.S. Constitution** authorizes Congress to establish "uniform Laws on the subject of Bankruptcies throughout the United States."
- common dischargeable debts include credit card debt and medical bills

# CHAPTER 7

- **bankruptcy trustee sells (liquidates) your nonexempt property to provide partial repayment to creditors.**
- **debtor's household income must be low enough to qualify.**
- **wipes out most types of unsecured debt, NOT child and spousal support and student loans**

# Chapter 13

**also called a wage earner's plan**

- **a repayment plan to make installments to creditors over 3 to 5 years**
- **must pay all of your disposable income—the amount remaining after allowed monthly expenses—to your creditors**
- **During the 180 days before, complete a credit counseling course to evaluate whether you have sufficient income to repay your creditors.**

# CREDIT RECORD EFFECT:

- Chapter 7 Bankruptcy -10 years
- Chapter 13 Bankruptcy -7 years
- During the 180 days before filing for Chapter 13, complete a credit counseling course from an agency approved by the [Department of Justice U.S. Trustee Program](#). The session helps evaluate whether you have sufficient income to repay your creditors.

# **ASSETS SAFE FROM CREDITORS**

- **Under federal law, a creditor can only garnish 25 percent of your net wages**
- **Social Security, VA, SSI, etc. is protected**  
(Except child support, alimony, student loans and back taxes)
- **SEP IRAs, IRAs, 401(k) and 403(b) funds/pensions**
- **personal possessions and equity in a car and/or home is also exempt**

## **FOR FURTHER INFORMATION CONTACT**

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