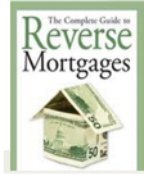




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Agape Love Way Ministries

ADDRESSING THE SPIRITUAL GROWTH NEEDS OF THE MODERN
CHRISTIAN, AND SECURING A FUTURE IN GODLY HOPE.

Making 2014 a year of Godly accomplishments by Keith R. Thompson

Many believers (much like the rest of the world) like to start each new year with renewed resolutions. Despite the fact that most do not accomplish or succeed in keeping those resolutions they set them anyway. However, rather than setting new year's resolutions shouldn't we instead set ourselves goals that we can realistically accomplish, that can positively impact our Christian walk.

Besides the obvious spiritual goals of praying more, or doing more volunteer work, or serving your local church or community group more there are also some financial goals you can set for

yourself that will positively impact your spiritual life.

Managing your Credit Card Situation

One of the important goals that every Christian should set themselves is the goal of getting out of credit card debt. We do not generally see how negatively credit card debt tends to affect our Christian walk but for many having to pay these credit card debts every month limits our ability to go on a mission field

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Credit Card Debt and Financial Woes in America

By *R. Leigh Coleman*

Credit card debt is a major factor in consumer financial distress. Recent statistics show that the number of American cardholders relying on their "plastic" to pay daily expenses is at an all-time high, according to a study by the Federal Reserve.

Analysts say Americans are not only relying on credit cards to pay their bill – there are also more people living from paycheck to paycheck with absolutely no savings tucked away for the future.

A report issued by Georgetown University also shows credit card debt and bankruptcy filings have skyrocketed revealing that con-

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Editor's Note

Agape Love Way Ministries is a ministry devoted to the principles and practices of the First Century Church, and the Great Commandments of our Lord Jesus Christ, namely: Love the Lord with all your heart, mind, soul & strength, and Love your neighbor as yourself [Matt. 22:37-40; Mark 12:29-31; Luke 10:27-28].

§ Word of Wisdom Section §

Make 2014 a year of Godly accomplishments

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(or to sponsor a group or individual going on such a sacred work of the Lord). A mission field trip to another country is something every believer needs to experience over the course of their life as it fulfills the Great Commission found in Matthew 28:19.

Likewise, huge credit card debts limit our ability to support our local churches in their various ministries that help the homeless, the hungry, and those imprisoned and in nursing homes. When our local churches are engaged in providing those vital services they make society a better place and help in the spreading of the gospel of salvation.

Finally, because of these debilitating credit card debts every month many of us as believers do not adequately save for our own retirements. That puts added strain on us, on our families, and on our local churches to look after us when we get into our golden years and for many that added stress of needing help does affect our Christian walk in ways many of us can't even imagine. I encourage some of you to volunteer at a local nursing home and speak with a few of the Christian folks that are there

and ask them candidly what they would do differently if they could do it all over again. Most of them will tell you that they would spend more time with their families and do more for them, and they will also tell you that



they would plan a little better for their retirement. After all, while Social Security may be there for them and the current generation of retirees it will most likely not be there for those of us who are younger than 50 years old today. Don't look to the government to support you in your later years as they may not have the money. Instead, make the necessary plans for yourself by first getting your credit card debts under control so you can then save for the long term.

Strategies to succeed

How then do you get your credit card situation under control? Many people don't seem to know this but a credit card is a loan which a bank

has extended to you. The problem is that this loan is so convenient that we don't realize sometimes that we are borrowing money when we use our credit cards. Let me put it to you this

way would you borrow from a bank to buy a pair of shoes, or purchase a cup of coffee and bagels. Most likely you would not. So why use your credit cards to do those things unless you plan to pay it off before the end of the month. It is time for many of us to limit our monthly spending to no more than what we earn and in so doing we will begin the process of reducing our credit card dependence. It is okay to use credit cards to take care of our normal expenses, especially since they are so convenient and for many of us they provide an ex-

cellent source of record-keeping. Also, some cards offer wonderful rewards thus making them great for everyday use as long as we stick by the rule of paying them off before the end of the month.

Another important benefit of credit cards is the protection they offer against fraud. The recent Target fiasco has taught us that we are better off using our credit card to purchase something than using your debit card because we can more easily contest a fraudulent purchase with a credit card than we can with a debit card (it's one way the banking system has setup to encourage our over dependence on these credit cards). However, we must not get carried away with these benefits of using a credit card. Use them exactly the way you would use cash, then pay them off at the end of the month and you will free yourself to strengthen your Christian walk, and grow in God. Remember the words of scripture in 1 Timothy 6:6 "Godliness with Contentment is great gain".

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§ Personal Finance Section §

Credit Card Debt and Financial Woes

By **R. Leigh Coleman**

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sumers are “mired in credit card debt.”

Records show that credit cards not only have high interest rates, but they have extremely high back-end fees that are unrelated to costs, such as late fees and overlimit fees, plus a host of billing tricks and traps that function as hidden price points.

These “tricks and traps” generate more than \$12 billion in revenue for the card industry, which is more than 30 percent of the industry’s pre-tax profits. Dr. Adam J. Levitin, an associate professor of law at the Georgetown University Law Center, in Washington, D.C., said credit cards are, in many respects, an excellent product because they are an easy source of financing.

“But, credit cards are also a product that can be misused by both consumers and card issuers. Consumers can use cards irresponsibly, and banks can issue cards and extend credit limits irresponsibly,” Levitin said



to Congress in an effort to create better industry legislation.

“Unfortunately, credit card business models and product design encourage unsustainable and irresponsible lending that leaves consumers buried in debt and hurts responsible creditors like small businesses, landlords, tort victims, and the government.”

The credit card nightmare does not end there. The latest statistics from the Federal Reserve indicate the total amount of consumer debt in the United States stands at nearly \$2.4 trillion. Based on the 2010 Census statistics, that works out to be nearly \$7,800 in debt for every man, woman and child that lives here in the U.S.

According to information gathered by the U.S. Census Bureau, there were more than 173 million credit card holders in the United States in 2006. That number has since grown to some 181 million Americans.

These same Americans own approximately 1.5 billion cards, an average of nearly nine credit cards issued per credit card holder, according to the Reserve's report.

Adding the fact that there is an increasing number of unemployed Americans and the country's economic woes have resulted in more delinquencies on credit card payments and home equity loans.

“Basically, all Americans, and people in other countries, are falling be-

hind on paying their bills,” said Cindy Craft, an instructor on economics.

“People cannot make ends meet. They are frustrated and that results in family tensions, divorce rates and general health problems.”

Americans charged more than \$2.5 billion to their credit cards last year, which is nearly \$13,000 per cardholder. Statistics also show that bankruptcies are increasing every year due to debt versus income issues.

More than 87 percent of consumer bankruptcy filers have credit card debt when they file, according to the Federal Reserve.

Research shows that consumers spend roughly 12 percent of their disposable income to pay off mortgage obligations and consumer debt such as automobile and personal loans, in other words on mandatory obligations.

As of December 2010, these financial obligations stood at some 15.3 percent for homeowners

§ Personal Finance Section §

Credit Card Debt and Financial Woes

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and 24 percent for renters.

Liz Weston, an advisor for Money Talk, said if people cannot pay off their credit card debt, then they are living beyond their means and cannot afford their current lifestyle.

“Carrying credit card debt has always been foolish, of course,” she said.

“Furthermore, you're vulnerable to the changing whims of credit card companies, and those whims can have serious effects on your perceived creditworthiness.”

Ms. Weston advises paying down balances, which may not boost credit scores right away if your lenders continue to slash available credit. “This is an industry practice known as 'chasing down the balance' but you need to do so anyway to free yourself of this toxic debt,” she said.

Tips for reducing your credit card debt

The Federal Reserve's Credit Card Repayment Calculator website has a calculator to help you estimate of how long it will take you to pay off your credit card balance. Visit on the web: <http://www.federalreserve.gov/creditcardcalculator/>

Tips for improving your credit

To build up your credit score review your credit report. Make sure that all the information on the report is being reported accurately. If there are errors, you have a right to dispute any inaccuracies with the credit reporting agencies.

Here are 5 keys to help increase your score:

- Pay your bills before the statement dates. Even if you pay off your balances each month it can still roll over on the credit report depending on the date the creditors report to the credit bureaus. By paying your bills early it may fall into the cycle where it will show a zero balance.

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Understanding Reverse Mortgages

Many of our elderly brethren (who are close to or already retired) are struggling financially and some are even considering using a reverse mortgage to help them meet their financial obligations.

Reverse mortgages can be very helpful, but they can also be risky for some retirees. Here are some things to know about them (information from HUD's website).

The Home Equity Conversion Mortgage (HECM) is FHA's reverse mortgage program, which enables you to withdraw some of the equity in your home. The program can give older Americans greater financial security. Many seniors use it to supplement Social Security, meet unexpected medical expenses, make home improvements and more.

Here are ten things to know about FHA's Reverse mortgage program.

1. What is a reverse mortgage?

A reverse mortgage is a special type of home loan that lets you convert a portion of the equity in

your home into cash. The equity that you built up over years of making mortgage payments can be paid to you. However, unlike a traditional home equity loan or second mortgage, HECM borrowers do not have to repay the HECM loan until the borrowers no longer use the home as their principal residence or fail to meet the obligations of the mortgage. You can also use a HECM to purchase a primary residence if you are able to use cash on hand to pay the difference between the HECM proceeds and the sales price plus closing costs for the property you are purchasing.

2. Can I qualify for FHA's HECM reverse mortgage?

To be eligible for a FHA HECM, the FHA requires that you be a homeowner 62 years of age or older, own your home outright, or have a low mortgage balance that can be paid off at closing with proceeds from the reverse loan, have the financial resources to pay ongoing property charges including taxes and insurance, and you must live in the home.

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Understanding Reverse Mortgages

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3. Can I apply for a HECM even if I did not buy my present house with FHA mortgage insurance?

Yes. You may apply for a HECM regardless of whether or not you purchased your home with an FHA-insured mortgage.

4. What types of homes are eligible?

To be eligible for the FHA HECM, your home must be a single family home or a 2-4 unit home with one unit occupied by the borrower.

5. What are the differences between a reverse mortgage and a home equity loan?

With a second mortgage, or a home equity line of credit, borrowers must make monthly payments on the principal and interest. A reverse mortgage is different, because it pays you – there are no monthly principal and interest payments. With a reverse mortgage, you are required to pay real estate taxes, utilities, and hazard and flood insurance premiums.

6. Will you have an estate that you can leave to heirs?

When the home is sold or no longer used as a primary residence, the cash,

interest, and other finance charges must be repaid. All proceeds beyond the amount owed belong to your spouse or estate. This means any remaining equity can be transferred to heirs. No debt is passed along to the estate or heirs.

7. How much money can I get from my home?

The amount varies by borrower and depends on:

- Age of the youngest borrower
- Current interest rate
- Lesser of appraised value or the HECM FHA mortgage limit of \$625,500 or the sales price; and
- Initial Mortgage Insurance Premium

If there is more than one borrower, the age of the youngest borrower is used to determine the amount you can borrow.

8. Can you use an estate planning service to find a reverse mortgage lender?

FHA does NOT recommend using any service that charges a fee for referring a borrower to an FHA-approved lender. You can locate a FHA-approved lender by searching online at www.hud.gov.

9. How do you receive your payments?

You may be eligible for one of the following payment plans:

- **Tenure**- equal monthly payments as long as at least one borrower lives and continues to occupy the property as a principal residence.
- **Term**- equal monthly payments for a fixed period of months selected.
- **Line of Credit**- unscheduled payments or in installments, at times and in an amount of your choosing until the line of credit is exhausted.
- **Modified Tenure**- combination of line of credit and scheduled monthly payments for as long as you remain in the home.
- **Modified Term**- combination of line of credit plus monthly payments for a fixed period of months selected by the borrower.
- **Single Disbursement Lump Sum** - a single lump sum disbursement at mortgage closing.

10. What if you change your mind and no longer want the loan after you go to closing?

By law, you have three calendar days to change your mind and cancel the loan. This is called a

three day right of rescission. The process of canceling the loan should be explained at loan closing. Be sure to ask the lender for instructions on this process. Mortgage lenders differ in the process of canceling a loan. You should ask for the names of the appropriate people, phone numbers, fax numbers, addresses, or written instructions on whatever process the company has in place. In most cases, the right of rescission will not be applicable to HECM for purchase transactions.

You can receive additional free information about reverse mortgages in general by contacting the National Council on Aging at (800) 510-0301 or downloading their free booklet, "**Use Your Home to Stay at Home**," a guide for older homeowners who need help now. It is smart to know more about reverse mortgages, and decide if one is right for you! §

Credit Card Debt and Financial Woes

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- Keep all your balances below 30 percent of the credit limit.

- Make multiple payments. By making more than one payment each month on your credit cards, the balance will go down and will help increase the score.

- If you have some accounts that are negative such as slow payments, contact your lender and ask for a "good-will deletion." Some of the credi-

tors will correct the negative entry to a positive entry.

- Ask a collection agency to remove a negative entry off your report upon receipt of your payment. Get a letter from them first before you send any money.

Note: In the eyes of a lender, a good debt-to-income ratio is 33 to 38 percent. §

Help Agape Love Way Ministries support our various ministries. We financially and directly support food banks, homeless centers, and other agencies that help the less fortunate.

Please consider sending a donation of \$10, \$20, \$30, \$50 or any other amount to us at our address below.

123 Main Street, Suite 2-72, Denville, NJ 07834

We are a tax-exempt organization

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**Agape Love Way
Ministries**

123 Main Street, Suite 2-72
Denville, NJ 07834

More About Agape Love Way Ministries

Agape Love Way is a non-profit organization established to promote charity care initiatives within a religious context, and according to the Holy Scriptures. It emphasizes the underlying precept of the Great Commandments of our Lord Jesus Christ, namely "Love the Lord with all your heart, mind, soul & strength, and Love your neighbor as yourself."

Agape Love Way engages in services that support the homeless and those in need of basic food sustenance. As such we aim to help individuals in all areas of accommodation needs, food aid, and basic social services, all the while promoting the Word and the work of the Lord. We also provide financial, organizational and administrative support to non-governmental organizations (NGOs) that are engaged in such services. To learn more about who we are and what we do send us an email at:

info@agapeloveaway.org

Agape Love Way is led by its Executive Director, Keith Thompson, who is also a Professor of Business, Economics and Finance at a local NJ college. Professor Keith Thompson is a man anointed and inspired to teach the Word of God through Love. Email him at:

ExecDirector@agapeloveaway.org

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If you like something about this Christian newsletter, or even if you just have a comment to share then we look forward to hearing from you so email us at:

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To help the Agape Love Way fulfill its mandate and support our various ministries please consider donating to the cause. We accept cash and in-kind donations such as food items, lightly-worn clothing and household appliances that are no longer needed. 100% of ALL donations will go to our various charities. To learn more about how to donate to us please send us an email at:

donations@agapeloveaway.org

Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me. Matthew 25:40