

Money: Dealing with Debt

A. Read this article about money problems.

Mabs

Money Advice and Budgeting Service

Money problems can result from many things - a change in circumstances perhaps that has resulted in a drop in income or increased expenditure, or simply not having enough to go around. This booklet will help you to take control and stay in control of your money.

There are more people than you might think experiencing problems with money. Our experience is that financial difficulties can affect everyone from high-income earners to people on a low income, so if

you are worried about money you are not alone.

This booklet contains a tried and tested Three-Step Approach to money problems based on budgeting, dealing with debts and making payments. If you would like more information on a particular problem, you can get a range of information leaflets on specific debts such as housing, utilities or personal loans, from any MABS office.

There are seven golden rules in dealing with a money problem. If you follow these you won't go far wrong.

1. Don't ignore it - it won't go away and the longer you leave it, the worse it gets.
2. Don't borrow money to pay off your debts without thinking carefully and seeking independent advice. Though borrowing can seem like a solution, you may be storing up greater difficulties for later on, for example you may end up losing your home.
3. Ask everyone you owe money to if you can have more time to pay. Contact each person either by phone, letter or in person and ask for breathing space to assess your full situation and work out what you can actually afford to pay. You will find a sample letter to help you at the back of this booklet.
4. Check your rights and entitlements- staff at the Irish Financial Services Regulatory Authority (IFSRA)- LoCall 1890777777- can tell you how credit companies must operate by law. You may find for example that your repayments are insured against sickness, redundancy and so on.
5. Be open and honest with the people you owe money to about your circumstances. Show them a copy of your household budget so each can see what you can realistically afford given your commitments. You will find a sample personal budget at the back of this booklet.
6. Always attend court hearings and take a copy of your personal budget with you and explain your situation. The court's role is to decide whether you owe the money and how much you can realistically afford to pay.
7. Keep copies of any letters and forms you send or receive - these may be useful in convincing a creditor or court you are being reasonable.

B. Are these statements true (T) or false (F) according to the article?

Write your answers in the table at the bottom of the page.

1. There are lots of different reasons why people get into financial difficulty.
2. People who have high salaries can also have money problems.
3. MABS has different leaflets that give advice about how to deal with different kinds of financial problems.
4. You should be patient and calm. If you do nothing for a while the problems will solve themselves.
5. Before you borrow more money to pay off your debts, you should talk to an expert to make sure this is the best solution.
6. Get in touch with the people you are in debt to and ask them to give you more time to pay them.
7. Find out exactly what your legal situation is.
8. Don't let the people you owe money to know exactly how bad the problem is. Tell them anything to keep them happy. It doesn't matter if it is true or not.
9. If you are summonsed to appear in court, get out of town as fast as possible. Borrow the fare from your neighbour if necessary but don't tell anybody where you are going.
10. Keep all the correspondence relating to your debts safely.

1	2	3	4	5	6	7	8	9	10

C. Language Work – Useful Phrases.

Complete these sentences with phrases from the article. The phrases are similar in meaning to the words in brackets (*in italics*).

1. Moving to live in the country meant _____ but a much more relaxed lifestyle. (*a lower salary*)
2. I've made two plates of sandwiches. That should be _____.
(*sufficient quantity for everybody or everything*)
3. I think people _____, say, under 20k p.a., shouldn't have to pay any income tax. (*not earning much money*)
4. The Department of Health have a _____ on different health problems such as heart disease, obesity, asthma and allergies.
(*a selection of printed sheets, given free of charge, containing useful information or advertising something*)
5. He is very intelligent and experienced. If you listen to his advice you _____.
(*make many big mistakes or have many serious problems*)
6. If you are not able to meet your mortgage repayments each month you could _____.
(*finish by having your house repossessed*)
7. The landlord said we could stay on for a few weeks after the end of the lease. That will give us a _____ to find a new place. (*a short period when there is less pressure*)
8. I've done my sums and €750 a month is the maximum we can _____ in rent. (*have enough money for*)

9. I always try to _____ with the people I do business with. I never hide things and I never tell lies or try to cheat them.
(be straight, truthful and direct)
10. On the one hand you want IILT to pay you for coming to class. On the other hand you only want to come on the days that suit you. Are you sure you _____?
(fair, practical and sensible)

D. Prepositions.

Complete these sentences with a suitable preposition; then check back with the article to see if you are right.

1. He says he is _____ control of the situation but I don't think he is.
2. I'm having a lot of problems _____ my car at the moment.
3. She's very worried _____ her youngest son. He's very sick.
4. The film is based _____ a true story.
5. You need plenty of patience when you are dealing _____ the public everyday.
6. He owes a couple of grand _____ his sister, which I'm sure she'll never get back.
7. If you have a TV, then you are obliged _____ law to have a TV licence, even if you only use the TV to watch videos and DVDs and never watch RTE.

Dealing with Debt 1 and 2

MODULE: Money

LEVEL: R2L and R2U

Time: 4 hours	Focus: What to do if you find yourself in serious debt
Class organisation: Individual, pairs, small group, whole class	Type of activity: Reading Comprehension
Can be adapted to:	Prerequisites:
FETAC:	
ELP: B1 - read and understand information that is available in public leaflets.	

For this activity you need...
If you can get hold of some of MABS leaflets, they will help reinforce the activity but these are not essential.

N.B.

In Class Procedure at a Glance
<ol style="list-style-type: none"> 1. Distribute the first worksheet. This is an actual advertisement which appears regularly in the national and provincial press. Give the students 10 minutes to answer the comprehension questions. 2. Give them a few minutes to compare their answers in pairs. 3. Before checking the answers as a group, you may like to read the advertisement aloud to help them with pronunciation. Note particularly the silent "b" in debt and the silent "d" in budget. Make sure they can read the web address aloud. 4. If some students are unclear as to the exact meaning of "stand for" illustrate it by testing them on other familiar acronyms and abbreviations – ESB, GAA, EBS, SIPTU, GP, FAI etc. 5. For questions 3, 4 and 5 get students to justify their answers with reference to the text. (Free, confidential, independent) 6. Finally, tell students that there is a printer's error in the advertisement and ask them if they can spot it. Give them a few minutes. (The heading of the second paragraph "What you can do?".) Get them to correct it. They will probably come up with the correct word order for a question "What can you do?" though of course it could equally

be corrected by dropping the question mark and leaving it as a statement.

7. Tell students they are now going to read part of a MABS leaflet. If you have actual copies to show them, so much the better. At the end of the article they have 10 true or false questions to answer. Give them plenty of time to do this. They will probably need at least 20 minutes. Allow them to use dictionaries – preferably Eng-Eng.

8. As students finish let them compare answers in pairs: get them to get up and move around the class to find other people who are finished so that they can do this. Don't let them just show each other their answers but encourage them to discuss any differences of opinion and to refer back to the article.

9. When most people have finished, correct the exercise as a group. 1 –T, 2- T, 3 – T, 4 – F, (Be patient and calm by all means, but don't "do nothing") 5- T, 6 – T, 7- T, 8- F, 9 – F, 10 – F

10. The first of the two language/vocabulary work exercises is intended to encourage students to try to see and process language not as a string of autonomous individual words but as chunks of language. Students will probably be familiar with blank fill exercises where they have to put in a single word. Make sure they realise that here they need a few words or an expression. The phrases are not as tightly cemented as idioms or fixed expressions but they are nonetheless common enough to be worth noting. Students will probably find this exercise quite challenging. Give them plenty of time and let them confer and use dictionaries 1) *a drop in income* 2) *enough to go around* 3) *on a low income* 4) *a range of information leaflets* 5) *won't go far wrong* 6) *end up losing your home* 7) *actually afford to pay* **or** *realistically afford to pay* 9) *be open and honest* 10) *are being reasonable*.

11. Let students work individually to put in the correct preposition before checking their answers in the article. When you are correcting it as a class make sure to refer back to the article. The exercise is as much about reinforcing the notion of dependent prepositions as checking their actual use. 1) **in** control 2) problems **with** 3) worried **about** 4) based **on** 5) deal **with** 6) owe money **to** 7) **by** law.