

Payment Options

*OPTION	BENEFIT/VALUE	POSSIBLE SCENARIO
❖ Lines of Credit (Credit Cards, Home Equity) Most lenders streamline the application process and funding is quick.	Interest rate may be lower than 10%	❖ Obligor is compliant with current and court ordered arrears payment; has good credit standing, but complains about interest rates or bank levy fees
❖ Car Payment/Payment Deferment Most financial institutions allow 2 car deferments per year (average car payment \$475)	Prevent enforcement actions ✓ Credit Reporting ✓ State Licensing Match System (SLMS) reporting	❖ Obligor recently unemployed; solution to prevent missing a payment during the modification process
❖ 401K/Retirement Fund** Loan Withdraw	May set loan terms and interest rate may be lower Prevent tax consequence (loan option)	❖ Obligor is self-employed or has long-term employment and complains about interest rates or bank levy fees. ❖ Obligor with long-term arrears balance
❖ Whole Life Insurance Loan against cash value Withdraw from cash value	Payoff past due balance ✓ Cessation of enforcement actions ✓ Case Closure if appropriate	❖ Obligor is self-employed or has long-term employment and complains about interest rates or bank levy fees
❖ Annuity*** (structured settlement payment)	Good faith effort towards an arrears balance	❖ Obligor is not meeting full monthly obligation (current and/or arrears)
❖ Family Members/Conservator/Power of Attorney/Spouse Loan Gift Trust	Initial payment – first step in plan to gain compliance	❖ Obligor who has limited resources due to circumstances/lifestyle/mental illness/pending application for SSA and/or SSI
❖ Liquidate Assets (motorcycle, vehicle, equipment)	Create additional cash flow	❖ Obligor who has limited resources due to circumstances/lifestyle ❖ Obligor is self-employed and has assets with cash value
❖ Restructure Miscellaneous Expenses (Luxury vs. Need)	Decrease financial impact	❖ Obligor who has resources, but does not treat child support as a priority
❖ Consolidate Bills (debt consolidation) Structured payments (provide coupons) Encourage weekly, bi-weekly payments Recommend an escalating payment plan to negotiate SLMS release	Satisfaction of meeting obligation	❖ Self-employed obligor making inconsistent payments ❖ Obligor who has limited resources due to circumstances/lifestyle

* Unfiled tax return or a pending lawsuit may be a potential asset (long term payment goal)

**Qualified Domestic Relationship Order (QDRO)

***California Insurance Intercept Project (CIIP)/Lump Sum IWO