



When Credit Card Debt Happens...

Finding solutions to get out of debt faster

INCLUDES: ✓ Free Debt Test

✓ Best Relief Company Checklist

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Signs of a Credit Card Debt Problem

**Don't let the stress of debt keep you awake at night.
Recognize when it's time to seek help.**

Answer these ten questions with either a yes or no to see if it's time to seek help:

1. Do you have one or more credit cards are maxed out to their credit limits?
2. Are you only making the minimum payments every month?
3. Have you paid late or missed any payments?
4. Have you asked friends or family for loans?
5. Are you using credit cards because you don't have enough income?
6. Have you made promises to creditors to make payments that you couldn't keep?
7. Are you living paycheck to paycheck with no money in savings?
8. Have you tried and failed to consolidate debt successfully on your own?
9. Do you use payday loans or cash advances?
10. Do you rely on credit cards to cover emergency expenses?

If you answered yes to **three or more** questions, then you need to seek help to find debt relief.



Finding a Better Way to Eliminate Your Debt

When traditional payment methods won't work, you often need professional help to get out of debt. There are two basic options that you can use.

Debt Consolidation

Consolidation allows you to roll multiple debts into a single, simplified monthly payment plan. You repay everything you owe, but you do it in a way that's more efficient. This involves reducing or eliminating the interest charges applied to your debt.

A professionally assisted debt consolidation program is more commonly known as a debt management program. You enroll through a consumer credit counseling agency. They help you find a payment that works for your budget. Then they negotiate with your creditors to minimize interest charges and stop any future penalties.

Once you enroll, you make one payment to the credit counseling agency, which they distribute to your creditors as agreed. This helps you build a positive credit history. As a result, the effect on your credit is generally positive.

Debt Settlement

By contrast, a debt settlement program only pays off a portion of what you owe. This is commonly referred to as debt negotiation or debt forgiveness. You negotiate a settlement offer with each creditor for less than what's owed on the current balance. The creditors get a percentage of what you owe back and agree to discharge the remaining balance.

You set aside money each month in a program savings account to fund the settlement. Once you have enough funds, your settlement team negotiates with each creditor to determine a settlement amount. Once the creditor receives their money from your program savings account, they discharge the remaining balance.

Since you only repay a portion of what you owe, settlement usually lowers your credit score. It can take anywhere from a few months to a year to rebuild your credit and reestablish a good score.



Comparing Consolidation vs. Settlement Side-by-Side

	Consolidation	Settlement
Principal Debt	Paid in-full	Partial repayment
Interest Charges	Reduced or eliminated, as negotiated	n/a
Payments	Total payments reduced by up to 30-50%	Based on amount of debt to settle; typically, lower than consolidation
Where Do You Go for Help?	Certified consumer credit counseling agency	Accredited debt settlement company
Average Time to Payoff	36-60 payments (3-5 years)	18-48 payments (1.5-4 years)
Credit Effect	Neutral or positive	Negative: 7-year penalty from date of final discharge
Works Best When	Your debts are still with the original creditors, since rate negotiation doesn't apply to debts in collections	Some or all your debts have been charged off and sent to collections

Finding the Best Service Provider

Whether you choose consolidation or settlement, you need a debt relief company that you can trust. Debt relief scams happen, and you don't want to get caught by one because it can cost you time and money. The wrong consolidation company can also cause credit damage, which you generally want to minimize.

Vetting a debt relief provider involves a combination of due diligence and gut reaction. Make sure you only work with certified or accredited, BBB-rated providers. Ideally, a company should have an A rating or better with the Better Business Bureau to get your business.

You should also look at independent, third-party reviews to assess their customer service history. Don't trust reviews and testimonials that come from the service provider. Instead, use a review website that gives you impartial, unedited feedback from real clients.

Finally, make sure you feel comfortable with the provider before you sign up for any program. If they don't answer all your questions or they pressure you into enrolling, walk away.

Beware of upfront fees!

Federal regulations strictly prohibit a debt relief company from charging ANY fees before an actual service is provided. A consolidation company cannot apply fees until you enroll in a program. Settlement firms must wait until they settle at least one debt on your behalf.

Any company that demands a fee upfront is a scam!

Debt Relief Services Checklist

- ☐ Does the company have a “A” rating or better with the Better Business Bureau (BBB)?
- ☐ Is the company a member of a national association or federation of debt relief service providers?
- ☐ Are the provider’s representatives certified and licensed to provide relief service in your state?
- ☐ Does the provider offer a money-back guarantee, in case you’re not satisfied?
- ☐ Have you checked independent, third-party review websites, such as TrustPilot.com and RipOffReport.com?
- ☐ Did the representative make you feel comfortable and confident in their services?
- ☐ Did they answer all your questions fully?
- ☐ Do you know: (1) how much this will cost per month; (2) when you can expect to be debt free?
- ☐ Has the representative explained potential risks with their solution, as well as how it compares to alternative relief options?

Watch Out for These Signs of a Debt Relief Scam:

- x The company charges upfront fees before they perform any work.
- x They make guarantees that their solution will work for every creditor you owe. (This is not something that can be guaranteed.)
- x The service representative pressures you to sign up or makes it seem like this is a limited-time offer.



When life happens...

For more information about credit card debt relief and relief options for other types of debt, visit Debt.com

Or call toll-free **1-844-216-9226**