



## FAQ's about Debt Settlement Programs

### **How do I know that a debt settlement program will work?**

Debt Settlement companies take great pride in negotiating their clients' unsecured debt and helping them to avoid bankruptcy. After they analyze your financial situation you will either be accepted into the debt settlement program or they will advise you of the best option for you. This will be discussed with you during your consultation.

### **What should I expect from your debt settlement program?**

You can expect a substantial reduction in the total balance that you owe to your unsecured creditors. While each case is different and results will vary, A debt settlement program targets to settle client unsecured debts for 25% to 60% of the balances owed.

### **Will interest and late charges continue to accrue on my debts while I am completing a debt settlement program?**

Yes. However, in most cases these fees are taken into consideration in the settlement offer.

### **Will I continue to get calls and correspondence from my creditors?**

Once you are accepted into a debt settlement program and have paid your enrollment fee you will direct all correspondence to the debt settlement company. Keep in mind that there is no law that prevents creditors from sending written correspondence to you. Do not be afraid to read these letters. In fact, it is important that you read each letter carefully as you are certain to get settlement offers from your creditors as a result of your admittance to a debt settlement program. These settlement letters and any other letter of concern should be forwarded to the debt settlement company's customer service department.

### **Will all of my unsecured debts be eliminated when I complete a debt settlement program?**

At the end of the program, you can expect to have zero balances on all unsecured accounts that you've contracted to settle, but creditors are under no obligation to accept settlement offers from any debt settlement company. You will still be responsible for your secured debts i.e. mortgages, auto loans, etc. and any and all unsecured debts that you did not retain the company to settle or that they were unable to settle.

### **Will a debt settlement company keep my personal and financial information confidential?**

Yes. They will absolutely maintain your confidentiality at all times. They only disclose information to those persons that you have authorized.

### **What happens when we reach a settlement and payment is made?**

Once a settlement with one of your creditors has been reached you should receive a correspondence to let you know that one of your debts has been successfully settled.

### **Do I have to be behind on my debts to qualify for a debt settlement program?**

Not necessarily. Most companies' debt settlement programs work with debtors in all stages of payments and collection.

### **Is debt settlement legal?**

Debt settlement is legal. Without the option of debt settlement many consumers would have no choice but to file bankruptcy. Keep in mind that even though they are substantially reducing what you owe your unsecured creditors, they will still be recovering a portion of the original debt. In bankruptcy these creditors may receive nothing, so debt settlement is often a win-win situation for both you and your creditors. Debt settlement is not available in all states.

### **Who can this type of program help?**

These programs can help anyone who is falling behind or having problems making minimum payments to creditors. Consumers that have legitimate financial hardships and might not qualify for other debt programs, such as debt consolidation loans or consumer credit counseling. However, these programs are designed for consumers that want to address their financial problems and find a solution to their unsecured debt problems. This will allow them to avoid bankruptcy while helping them to alleviate the stress that unmanageable debt creates.

### **How do they reduce my debts?**

Debt settlement companies will negotiate and work with the creditors on your behalf. Their goal is to reach settlements with your creditors on any unsecured debts which you have contracted them to settle. This is accomplished through a series of negotiations with your creditors to secure settlements with substantially reduced amounts owed. They are usually able to reduce the total amount owed to an average of 25 - 60 cents on the dollar, including all fees and payments.

For more information visit: <http://www.get-out-of-credit-card-debt.org>