



Who Should and Should Not Use Debt Management or Credit Counseling

The qualifications for a debt management program or credit counseling programs are a valid checking or savings account and a minimum of \$5,000 in unsecured credit card or consumer balances. As long as you have both you may qualify for a program.

A checking/savings account is required because a lot of non-profit organizations do not have a billing department and don't have the funds to send out mail to their clients, so instead they take payments electronically. If you don't have a bank account you can open up an account, just for the time of your program.

If you are over 6 months late on your payments, it will be very hard to get into a debt management program, but if you are within the 6 month window, you will benefit from the program even more. After 90 days in a program, you can benefit from the re-aging process which will end creditor's calls and bring your accounts current on your credit report.

The debt management company will go into the last 6 months of your credit report and fix any late payments, finance charges or over-the-limit charges.

If you are over one year late on your payments this type of program will not be able to help you.

If you are looking at bankruptcy as a choice to get rid of debt, soon debt management programs will be a mandatory program for anyone looking to file bankruptcy.

Debt Management and Credit Counseling programs work with unsecured balances only, so you can not enroll your car loan or mortgage accounts. You can, however, include personal loans, gas cards, store cards, some medical bills, and most accounts consumer debt.

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