"The most powerful force in the universe is compound interest."
- Albert Einstein

Delivering Value to Consumers in a Debt Settlement Program

A Case Study: Nationwide Support Services, Inc.

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Purpose

This white paper discusses the activities and processes required, and their associated costs, to effectively deliver a successful debt settlement program and the resulting value proposition to consumers.

The paper will quantify the value of debt settlement program over a period of 2 to 4 years, and the attendant costs to service the consumer through the various stages of the program. It highlights that the costs of providing an effective debt settlement program includes an effective financial literacy education program to ensure a successful completion of the program and success in personal financial management following the program. It further demonstrates that debt settlement entails much more than just settling debt in order to be effective; there being a significant difference between a series of discrete transactions and a managed relationship.

Citing independent surveys and actual examples, this paper reviews the perspective of the consumer before, during, and after a debt settlement program; making the point that in addition to gaining financial strength, the consumer gains a sense of relief, experiences reduced stress, and feels empowered by being in control of their life by achieving debt relief.

Legislating the limiting of fees collected by debt settlement companies and/or legislating the collecting of fees only when a settlement is completed will result in reduced services to the consumer, a less effective program, and fewer consumers receiving the benefit of the program. The sole beneficiaries of reduced fees will be the creditors. In the long term, the real value of such a program is not just debt reduction, but the valuable foundation provided to the consumer for modifying their spending behavior. This is done by engaging them in consumer education and financial literacy programs such as *Debt Talk*™ and *The Frugality Game*™ .

Introduction

According to the Federal Reserve, consumer debt (not including mortgages) is almost at a record $2 Trillion; this equates to $18,000 per household. Given the present economic conditions, experts believe without any kind of resolution, these high debt levels pose a significant risk to the financial health to millions of American households.

In the past decade, credit card issuers lowered monthly minimum payments to encourage consumers to take on more debt and take far longer to pay off their debts. Credit card companies became more aggressive in implementing higher interest rates, additional fees and penalties, pushing consumers with high balances into financial hardship. Such practices have placed the consumer in a "debt trap", where the principal and interest owed on credit card debt becomes harder and harder to pay off.

A debt resolution service is generally defined as an intermediary between an individual and one or more creditors of the individual for the purpose of obtaining a workable plan to resolve debt balances. Debt settlement services provide a critical option between bankruptcy, where little or no debt is repaid to the creditor, which, however, has lasting implications, and credit counseling, where the entire debt balance is repaid. Debt settlement is no different than a business that seeks a voluntary workout of its debt. It is also analogous to home owners who seek loan modification to reduce their mortgage burden.

When a consumer can no longer afford and service the debt on a monthly basis and begins to default, creditors begin a collection process. The collection process typically begins with letters, then phone calls, and the pressures applied by the creditor increases as the debt ages. Legitimate debt resolution services help navigate consumers through this process when the creditors are aggressively trying to collect debt.

Debt resolution enables creditors to get a substantial portion of the debt owed for what could have been complete losses, provides much-needed financial literacy education to consumers, and provides an actionable plan for the household to rebuild financial strength. These services allow many households to be rescued and ultimately become full participants in the economy.

Currently, the five most common options for resolving debt at the household level are: Doing nothing and hiding from creditors, bankruptcy, debt consolidation, credit counseling, and debt settlement. Each option has its advantages and disadvantages. The best option should be based on the consumer's circumstances and suitability. Providing choices gives the consumer options and creates competition in the market.

Fee Comparison between Credit Counseling Services and Debt Settlement Programs

The two types of debt resolution plans primarily discussed in this paper are credit counseling and debt settlement, due to their perceived similarities in the marketplace. However, the major difference between the two options is that the credit counseling program primarily represents the creditor, and debt settlement represents the consumer.

Credit counseling usually involves lowering the interest rate, which reduces the monthly payment amount, allocates a higher percentage of payment to principal thereby reduces the amount of time to payback, and offers an educational program. Consumer Credit Counseling (CCCS) agencies work with creditors to reduce fees, interest rates and payments in the form of a prescribed debt plan between the creditor and consumer. In most cases, a credit-counseling agency receives some compensation from the creditors to whom the debt payments are distributed. This funding relationship means the costs of running such operations may be relatively low compared to debt settlement. This fee income, known as “Fair Share,” is a contribution from the creditors of between 4-10%.

Debt settlement creates a workout plan which provides greater debt relief to the consumer. The consumer makes equal monthly payments into a savings account that accumulates enough money to settle individual debts. Debt settlement providers then negotiate with creditors on the consumer's behalf to settle on an amount less than what the consumer owes.

The following example illustrates the costs to the consumer with an unsecured debt of $43,909 between using real life Credit Counseling service and compared to a Debt Settlement Program.

Debt Settlement		Credit Counseling	
Original Debt:	$43,909	Original Debt:	$43,909
Months in Program:	36	Months in Program:	49
Settled in Full at 55.7%:	$24,149	Paid 100% of	$43,909
Fees at 15%:	$6,568	Fees & Interest	$8,766
Total Paid:	$30,717	Total Paid:	$52,675
Total Saved on Original Debt:	$13,192	Total Paid Above Original Debt:	($17,242)

As can be seen from the illustration above, contrary to the common misconception, the consumer does pay more using a credit counseling service compared to debt settlement.

For a consumer in a credit counseling program, the average account set up fee is $25 and monthly maintenance fee is $15. Over five years, this means that the consumer has paid $910 to the CCCS. The companies also receives compensation from the credit card companies that averages six percent (6%) of the amount the credit card company receives – which is more than six percent of the debt.

For instance, assuming equal payments over five years and a ten percent interest rate, a consumer with $10,000 in debt will pay $12,748.23 to the credit card company, which implies that the CCCS would receive another $764.89 in fees. The total fees equate to 16.7% of the debt *(Hunt 2005, Briesch, Richard A. 2009).*

It must also be noted here that the amount of time, and consequently the costs, to service a consumer through the CCCS process is much lower compared to the extensive 2 - 4 year engagement by a debt settlement services, as will be outlined below.

The consumer deserves to have a choice for paying lower fees and, depending on their circumstances, may be financially better off going through a debt settlement program. Importantly, many consumers in this economy simply cannot pay off all unsecured debt in full and debt settlement has become a critical option.

The State of the Consumer Prior to Entering the Program

The worsening of the economy and a record level of foreclosures, coupled with the tightening of conditions by lenders and credit card companies, means more and more consumers are facing financial hardship. There are many causes for financial hardship; sometimes it is the lure of the plastic, and often times its an unexpected event such as a job loss, reduction in hours or rates of pay, illness or disability, divorce or other marital difficulties, which can strain even the most carefully managed household budgets to the breaking point.

The symptoms of hardship can range from bills repeatedly being returned unpaid due to insufficient funds, to defaulting on loan repayments or other financial commitments. The vicious cycle begins when the consumer finds it necessary to seek an increase in borrowing limits on credit cards in order to pay bills, and eventually into the "borrow from Peter to pay Paul" syndrome, falling further behind every month. The crisis occurs when the household must choose between paying bills or providing for the family.

On a macro level, households have been financing their lifestyle primarily with equity, for those who have it, and with credit cards, for those who do not have equity. Consumers squeezed by the bursting housing bubble have been increasingly relying on their credit cards to live and maintain their lifestyles (*Westrich, Tim and Weller, Christian 2008).* Households have not been saving, and incomes on average have been decreasing, yet, household lifestyle prior to the recession and by most assessments, have been increasing. The difference between savings and income, and lifestyle, is the incurrence of debt.

Old habits die hard and changing the behavior of those who lived beyond their means during the last few years, extracting temporary wealth from their real estate, only to spend it on lifestyle requires a lot more emphasis on financial education for behavior modification.

Credit card charge-offs, the credit card loans removed from the books or "written off," have been persistently high for most of the last thirteen years and are now approaching the highest levels on record *(Plunkett, T. 2009).* Moreover, despite rising credit card delinquencies, there is evidence that some families are attempting to stay current on their credit card loans, but not their mortgage payments *(Chu, Kathy, 2008).*

The tactics by credit card issuers increases the debt burden upon the household. For many households, dollars that could be used for savings for necessities or principal reduction are going into paying the minimum monthly payment. For consumers who are unable to pay off bills in full each month, or choose to only pay the minimum payment, the cost of items purchased becomes much more expensive. For example, a consumer purchases, using a credit card with a 14% interest rate, a stereo with a cost of $5,000. The true cost of the stereo will take 61 years to pay off and include almost $16,000 in interest. This means that the $5,000 stereo could end up costing about $21,000.00 *(Federal Reserve Bank of San Francisco).*

Monthly minimum payment rates were reduced by card issuers from around 5 percent of principal owed in the 1970s to just over 2 percent by 2000 (Kim, Jane J., 2005). However, paying only the minimum on credit cards increases the length of time the debt is carried and significantly adds to the interest cost of the credit card loan. Julie Williams, the First Senior Deputy Comptroller and Chief Counsel of the Office of the Comptroller of the Currency (OCC) notes reduced minimum payments "dig borrowers into an ever deeper hole, requiring increasingly more difficult measures" for consumers to get out of debt *(Consumer Federation of America, 2000).*

To make matters even worse, credit card companies have increased additional fees and interest rate in recent years. In fact, consumers in debt trouble sometimes owe as much or more in "fees and penalty interest charges, as in principal" *(Day, Kathleen and Caroline E. Mayer, 2005).*

High fees and interest rates place the consumer into a debt trap where the principal owed on credit card debt can continue to rise despite making payments. "Negative amortization in effect traps credit card borrowers on a debt treadmill that keeps moving faster. Although they are making regular payments, their debts continue to mount" (Plunkett 2009).

There is increasing evidence that those who can least afford these higher interest rates – financially vulnerable families – are most likely to be paying them. A study by the research organization *Demos* found that cardholders that carry debt who earn less than $50,000 a year are more than twice as likely to pay interest rates above 20 percent as the highest income Americans who carry debt *(Wheary, Jennifer, and Tamara Draut 2007).*

Given the state of the economy, households are using credit cards to make up differences in the household budget. As soon as a hardship, such as job loss, divorce or medical emergency arises, the household is unable to make regular payments. Today's economic climate means that many consumers are "only one emergency away from financial hardship." There is no question that the multitudes of people currently in financial distress need programs that reduce the principal of their debt to stave off bankruptcy and regain financial health (*Briesch, Richard A. 2009).*

As we have seen above, late payments trigger an increase in interest, penalties and late fees, increasing the debt burden. This is the time where consumers must consider debt resolution options such as bankruptcy, debt consolidation, credit counseling, debt settlement, and in some cases, either due to circumstances or emotional stress, doing nothing becomes an option.

An increasingly popular debt resolution solution for consumers is debt settlement. As more Americans become unable to pay their debts in full options that can reduce the debt burden by negotiating with creditors on behalf of consumers can make a positive impact on the economic and emotional well being of the consumer. Surveys of those who have completed a debt settlement program suggest that they are better off, not just financially, but also emotionally. Survey data further suggests that as they feel the burden of debt being lifted they generally feel better about their situation and have significant improvements in relationships and family life. Equally important is the fact that financial literacy gained as an integral part of the debt settlement program enables them to make informed choices during and after the program. This is a great facilitator in behavior modification as the consumer feels empowered to be in control of their lives.

While Debt Settlement, Credit Counseling and Bankruptcy all help relieve the burden of debt, they are very different, and it is important to understand that each option has an immediate and lasting impact to the household. While it is not within the purview of this paper to make specific comparisons, it is worth noting that according to Dr. Richard Briesch of the Cox School of Business:

> "...both CCCSs (Credit Counseling Companies) and DSPs (Debt Settlement Programs) increase consumer welfare over the alternative of the consumer paying off their debt using a fixed payment of 2% of their original debt every month (the recommended minimum payment). However, DSPs increase consumer welfare much more than CCCSs and have similar affordability to CCCSs when the payments can be made over three years (instead of five years for CCCSs). Given the findings in the extant literature that creditors are also better off when consumers use DMPs (Debt Management Program)_it appears that DMPs are a "winwin" for both consumers and creditors, so regulators should be encouraged to use a common sense approach to this industry: protect the vulnerable consumers while supporting competition among the different approaches to getting rid of consumer debt."
>
> (Briesch. Richard A. 2009)

It appears that the very best option for debt resolution for a consumer is choice. Only with the appropriate number of options to choose from can a consumer make the best choice dependent upon their particular circumstances. Debt resolution, and for that matter, any of the other available options, is not a one size fit all solution.

The Debt Settlement Solution

Debt Settlement, though a relatively new industry in its present form, is an age-old method of resolving debt between creditor and debtor. Some of the earliest recorded writings demonstrate that people have faced the trials and tribulations of debt. For example, in early Greece debt was physically tied to bondage. So if someone could not repay their debt, they became the property of the lender.

The debt settlement business is relatively new industry and its growth had been fueled as changes in law and the inherent limitations of traditional options available to consumers mired in debt. In 2004, the credit card industry became deregulated, which allowed credit card companies to charge higher rates of interest. This included the right of credit issuers to unilaterally increase the interest rate on an account due to a single late payment on any credit account. These higher rates of interest placed greater financial strain on consumers and made it harder for consumers to timely and fully pay their debt. In 2005, Congress passed the Bankruptcy Abuse Prevention and Consumer Protection Act. This Act made it harder for consumers to file bankruptcy and to eliminate consumer debt in the course of bankruptcy. It is estimated that 800,000 consumers have been denied access to bankruptcy due to the Act *(Briesch, Richard A. 2009).* Since these changes, the total amount of consumer debt has continued to rise with the annual rate of increase growing each year. Finally, the declining economy makes it that much harder for consumers to satisfy their total unsecured debt obligation.

Debt settlement is designed to help consumers in financial hardship who cannot maintain the level of unsecured debt given their existing financial circumstances. The program is designed to help consumers pay off unsecured debt over a period of 2 to 4 years, offering significant reduction in the original unsecured debt balance. Settlement companies act on behalf of consumers, negotiating with creditors or collectors to facilitate repayment of consumer debts at a reduced percentage of the total amount owed. In return, consumers generally pay a percentage of the total amount owed as a service fee.

According to TASC, the nonprofit, self-regulating organizational body of the industry, which consists of 200+ debt settlement companies, “Debt settlement companies work with creditors every day on behalf of their clients; Debt settlement companies have staff that are trained and experienced in working with creditors.” To put a value on this relationship, TASC reported recently that consumers in debt settlement programs repaid more than $2.2 billion in debt last year. In addition, TASC’s research shows more than $500 million in settlement funds saved by consumers are available to credit card companies today.

Types of Debt Settlement Companies

As within any industry, there are different types of debt settlement companies. The first distinction is companies that provide programs in which a consumer can save their own funds in their current bank accounts. This is called a self-saver model. The other method of saving, still completely controlled by the consumer, is facilitating a separate account opened by and in the name of the consumer, called a special purpose or trust account. The advantage of a separate account model is the segregation of household funds.

The second distinction is companies that provide educational content versus no educational content. The advantage of providing educational content the financial literacy required to successfully continue the savings plan. Charting these four distinctions creates a matrix of four different types (A,B, C,&D)of debt settlement companies.

	OFFERING EDUCATION	NO EDUCATION
TRUST ACCOUNT	A = PREFERRED	C = REDUCED RESULTS
SELF SAVER	B = OK	D = STAY AWAY

The debt settlement program analyzed in the paper is a Trust-Education type of program. To analyze further each type of debt Settlement Company requires a different revenue model in order to provide the services. Type A incurs cost from day 1 to completion, with the majority of the cost borne in the beginning of the program when education is most critical and required. Thus the Trust-Education model requires a revenue model that provides monies from day 1.

The revenue model being proposed by the FTC may support a *Self Saver-No Education* (Type D) debt settlement company. This model provides very little educational support to the household and less administrative support.

> "I've used the self-saver model and the trust account model. The self-saver model makes it very difficult to track how well the consumer is saving money for settlement. Often times when you are ready to negotiate on an account and get a settlement in place; the consumer won't have the funds available. These are the same consumers that have had trouble managing their finances to begin with. So saving money on their own is not their strong suit. We were able to track that with self-savers it was a 50/50 chance they would have funds available at the time of settlement.
>
> I became aware of this 3rd party trust account model back in 2004. This is where a consumer has their settlement funds drafted from their bank monthly, into their own trust account. It gives the consumer some structure and conformity in saving funds for settlement. Within the first year of using the trust account I notice an increase in consumer settlements up to 30% per month! It was clear that by helping consumers manage how they saved their money; it helped them stay on track and, in turn, gave us real dollars to settle with.
>
> The creditors and collectors started noticing the difference as well. They noticed a significant drop in fall through rates with settlements done with trust accounts. The funds were actually available to settle the debt! The creditors, collection agencies and debt buyers we work with today want us to identify accounts that are self-saver vs. trust. Prior to making an offer they want to assess the likelihood of a successful settlement being completed. Even they know the difference. A person with a trust is more likely to pay than a self-saver."
>
> (Personal interview, Oct 2009. with Teresa Dodson, Board Member - TASC & COO - Perolvo Data Systems)

Debt Settlement Program*

**The following section is based on Nationwide Support Services data for a typical program, which assumes an average debt of $ 39,500, 6 enrolled credit cards with the program spanning 36 months, and charging a fee of 16%. Nationwide uses the Trust Account/Education model (Type A).*

The program begins with the enrollment of a consumer who is then serviced by a team of trained personnel to provide the consumer a thorough understanding of the program, the importance of maintaining their savings plan, and responding to creditors and collectors during the full length of the program. This program is managed by Account Managers from different teams who ensure that the consumer continue their commitment to the program and concurrently work with trained debt negotiators to achieve settlements for them. This also means that the company begins to incur costs from day one and, as will be demonstrated in the later sections, continue to incur costs until program completion.

First Point of Contact

Debt Settlement Centers (DSCs), primarily independent front end sales offices, make the first contact with the consumer. The DSC discusses the options available to the consumer based on current circumstances, determines the suitability of debt settlement for the consumer, and if suitable, provides the program documentation. The process for determining suitability of a consumer:

- Hardship Review
- Program Review
- Budget Review
- Suitability Review
- Savings Plan Review

Current Debt Settlement industry practices suggest that the average marketing costs are 1.25% and 1.25% per client which equates to $987.50, assuming an average debt of $39,500. It is to be noted that approximately 90% of the consumers who go through the suitability reviews do not qualify for enrollment.

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Enrollment of a Consumer into a Debt Settlement Program

The enrollment process requires each consumer to submit creditor statements with the signed enrollment documents. The enrollment documents typically include an agreement, a list of debt being enrolled, a disclosure form to ensure the consumer understands the pros and cons of a debt settlement program, a TASC disclosure form, a savings schedule, and other documents depending on consumer's circumstance. Once all documents are received, a final review is performed and, if passed, the consumer is entered into a debt settlement program. The average cost of processing the enrollment paperwork is $59.45.

A consumer savings account with a third party trust company is established by the consumer. This is to allow full control of savings by the consumer which will be used to satisfy outstanding debts at time of settlement.

The enrollments department will review statements, input all the information provided by the consumer with regards to their particular circumstances, determine accuracy of the financial information relating to the consumer's debts and then qualify if the consumer is a suitable candidate for the program. Once the data has been verified, a Welcome Package is sent which is comprised of a Program Guide, Funds Transfer Schedule, and Phone Scripts with full instructions on how to deal with creditor calls. The hard cost for the welcome package is $16.05 per unit.

A compliance call is made by specially trained account managers to review the program and ensure understanding. Approximately 10% of enrollments are disqualified at this stage. This call begins the first 90 day phase of the program. This is a critical phase in terms of a successful outcome and program completion. A specially trained account management team will make three calls in the first 30 days. The average cost per call is $12.34.

Thereafter, the processes to enhance the consumer's financial literacy levels begin. The consumer is encouraged to go online to begin the Debt Talk™ education course and enroll in The Frugality Game™.

Debt Talk™ is an easy-to-understand online educational program to teach financial literacy, behavior modification and help make informed choices to resolve their debt issues. In this motivational, fun and upbeat flash program, consumers learn about the psychology of debt, how to manage their finances, create budgets, monitor credit reports and learn to continue with the savings habits inculcated during the debt settlement program. All consumers in the Nationwide program are encouraged to go through the course over time. It covers the debt settlement process, the procedures of collection agencies, how to manage finances successfully during and after completing a debt settlement program. Debt Talk is divided into seven easy to understand instructional modules. At the end of each module learners take a short quiz to ensure they have an accurate understanding of the subject matter.

The Frugality Game™ provides a pathway for consumers to build personal financial knowledge and habits that lead to changes in behavioral spending habits. Behavioral spending habits are associated with what is important to the consumer and, to a large extent, the influence of our consumption oriented culture. This culture leads to spending that is largely dependent on credit. The game introduces concepts and habits that help consumers view their spending in an objective manner, limiting the emotional quotient that so often leads to living beyond one's means. The change in behavioral spending habits builds a savings-orientated household rather than a consumption-orientation one. This in turn builds financial viability at the household level, increased liquidity in the form of savings and the ability to deal with situational spending events (unplanned events). *The Frugality Game™* helps the consumer build a strong household economy, which when multiplied by many, will assist in building a strong national economy that is less dependent on unsustainable consumption levels.

The objectives of the monthly Account Review call are to ensure that consumers stay committed to the plan, manage creditor calls and forward creditor correspondence. While these calls are scripted to be empathetic to consumer hardship, they also set expectations for the part the consumer will need to play in the program. Each Account Review takes an average of three attempts to reach the consumer. Debt Talk™, TheFrugalityGame™ and consumer newsletters are used to further educate and reiterate the process which includes savings tips, frugal living, and consumer rights.

Typically during this time the creditors are sending letters and making calls to collect the debt. Account Managers discuss the importance of sending in all correspondence, as well as helping the consumer manage creditor calls.

Month 2

The consumer makes the first savings draft. On average, 2.5 inbound calls are made by the consumer to the Account Management Team, and an average of 6.5 correspondence per month are sent to the company by the consumer. The average hard cost for 2.5 inbound calls is $30.85. The average hard cost to receive, process, and follow-up on 6.5 pieces per month of correspondence is $468.28 for the life of the program.

At this time the creditor moves the debt through their process and continues to call and send letters to the consumer. The consumer is encouraged to fax in these creditor letters to their Account Management Team. These letters and other correspondence are physically received by the Data Entry department where all mail is read and processed. Each piece is scanned and electronically attached to the consumer file and tasks are set for the Account Management Team requiring them to respond to the consumer in a timely manner.

During the first 90 day phase, a Strategy Call is conducted monthly (cost $12.34) to reinforce the content of the previous calls, to manage expectations of the program, and help consumers manage the creditor activity targeted to themselves.

Month 3

The consumer makes the second savings draft. The creditor's collection efforts increase in aggressiveness of calls and the harshness of letters increases. The debt settlement company continues to service an average of 2.5 inbound calls per consumer (cost $30.85.) and an average of 6.5 pieces of correspondence per month per consumer (cost $19.96). The primary reasons for inbound calls are questions relating to program, follow-up to messages left by account managers, and administrative calls.

During this period of time the Account Management Team makes a Strategy Call (cost $12.34). The strategy call's purpose is to review understanding and commitment to the program, benefits of staying on the savings program, with the importance of managing creditor calls reinforced.

Month 4

The consumer makes the third savings draft. At this point the account is transitioned over to a second Account Management Team. This team has different training than the first team. The first team training is focused on compliance call, welcoming the consumer into the program, and ensuring a comprehensive understanding of the program. The second Account Management Team is focused on participation, commitment, and further financial literacy education for the duration of the program. This team makes a Monthly Review call to keep the consumer briefed and engaged in the program with a cost of $236.61 for the life of the program. At this point the Account Management Team in conjunction with the Data Entry Team continues to service an average of 2.5 inbound calls per consumer (cost $30.85.) and an average of 6.5 pieces of correspondence per month per consumer (cost $19.96). In addition to the monthly review, the Account Management Team will contact a consumer approximately 144 times with phone calls and various communications during the life of the program.

Consumer touch points during 24 month period:

- 8 transition calls
- 24 monthly account review calls
- 2 Skip or Hold requests handled
- 2 lower draft requests phone calls
- 4 settlement authorization calls
- 4 settlement offers completed and mailed to client
- 24 faxed received outbound messages sent
- 24 outbound calls to review documents sent in
- 24 calls to cover creditor's 30 day notices letters
- 60 inbound calls made by consumer

The consumer also has 24/7 access to the Debt Talk™ website to view the status of their account and also offers access to valuable financial awareness tools to better understand the basics of sound money management and savings.

Month 5

The consumer makes the fourth savings draft as the creditor has moved the debt into a pre-charge off bucket. The frequency of the calls increase and harsher letters are sent out to the consumer. At this point, depending on the savings levels, the mediation department contacts the creditor to discuss settlement negotiations and collection strategy that the creditor will follow. The most common settlement strategies followed by a creditor are:

- Move debt to their legal collection process
- Move debt to their assigned Collection Agency
- Sell debt to Debt Buyer

Having determined the option selected, the Mediation team will formulate an appropriate strategy for each consumer.

Month 6

The consumer makes the fifth savings draft. At this stage the creditor, depending upon their perception of the consumer's ability to pay, would either be open to settlement negotiations or may decide to pursue a specific collection strategy mentioned above.

The Mediation team works closely with the consumer and responds as appropriate to the action taken by the creditor.

Month 7 – 12

Depending on the strategy utilized by the creditor, typically during the 7 to 12 month period, consumers experience increased activity by the creditor or collection agency. If the file has been sent to legal by the creditor, there may be a threat of a lawsuit for collection. There may also be possible violations of the FDCPA guidelines by the creditor or collection agency. This leads to an average of 1.5 inbound calls per month from the consumer. The Account Management Team will inform the consumer about the common tactics utilized by collection agencies and provide additional educational material for the consumer to understand the benefits of staying on the program.

Typically, the first settlement occurs during this period. The hard cost to process each settlement is approximately $88.59. The sequence of the settlement process:

- Mediations Team negotiates a settlement with collector involving a series of communications between the parties, including obtaining the consent of the client

- Obtains a settlement offer in writing from the collector
- Account Management team reviews settlement with consumer
- Account Management gets an approval from the consumer to process the settlement
- Consumer authorizes dispersal of funds

It is important to emphasize that through the entire program the client is in full control of their savings, and at no time or under any circumstance does the company handle, manage, or otherwise control these funds. It is the consumer who ultimately accepts the settlement, makes the decision to disburse the funds, and does so with full understanding of the terms of the settlement.

Months 13 – 36

From months 13 to 36 inbound correspondence decreases over time as debts get settled from the program. Typically settlements occur every 5 to 6 months based on the consumer making their savings draft as agreed. In many instances, consumers seeing the "light at the end of the tunnel" begin to add additional dollars to their savings account to expedite the settlement process.

Costs of servicing an Account

Each and every activity requires personnel with the appropriate tools and processes, as well as management and facilities. In order to sustain and manage such an intensive process detailed above, there are associated costs to servicing a program over a period of 2 to 4 years. Such fee structure is similar in nature to the one used by CCCSs, attorneys and other service-providing firms (*Briesch, Richard A. 2009*).

An informal poll of some TASC members indicates that their client to employee ratio is 85:1 or less. In other words, the companies hire one employee for every 85 consumer clients enrolled and serviced and some even have lower ratios. By comparison, some numbers for credit counseling companies and their client to employee ratios as provided by a reputable source are below:

40,000 active clients - 38 employees = 1052:1

12,000 active clients - 16 employees = 750:1

3,000 active clients - 6 employees = 500:1

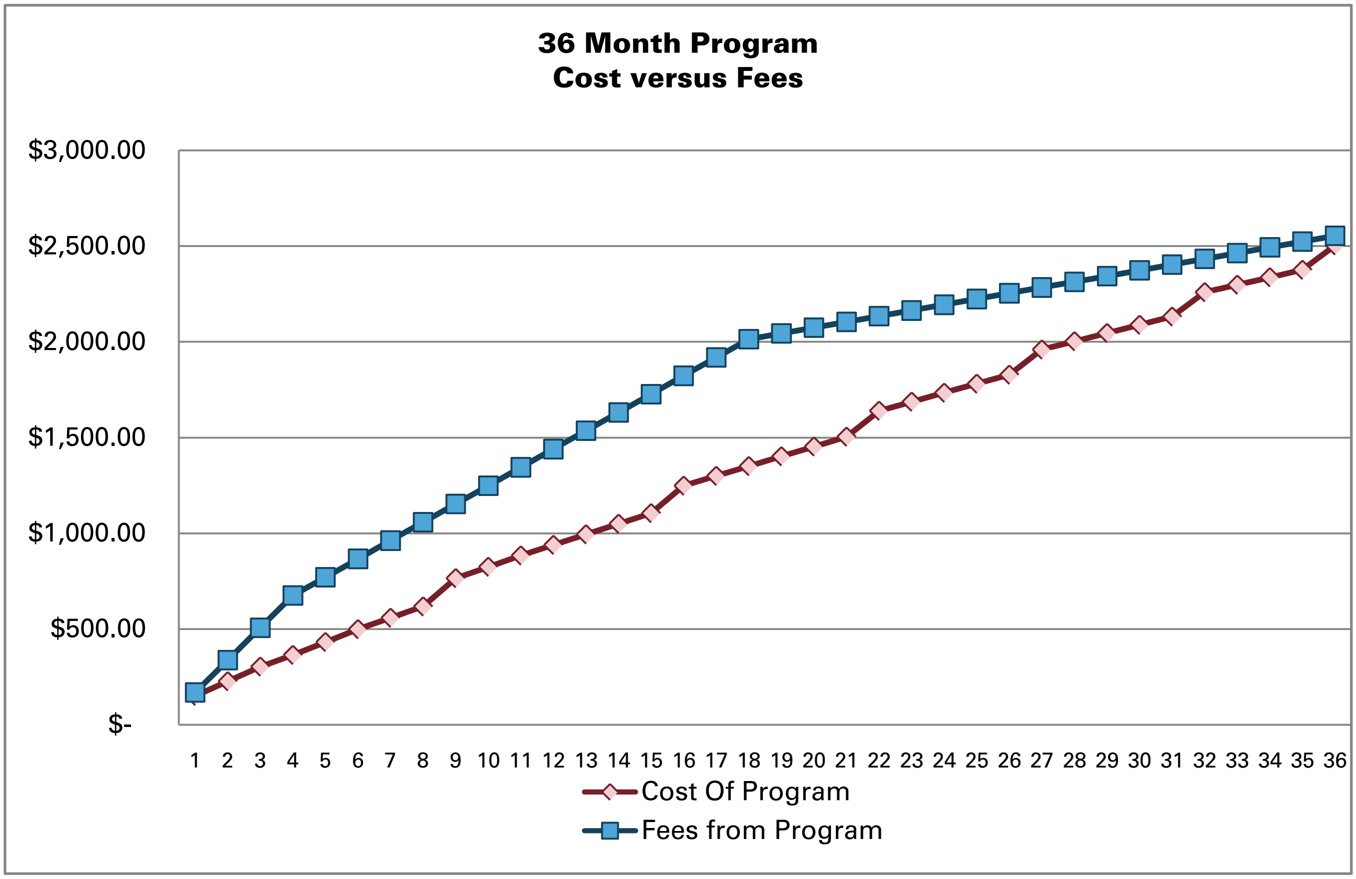
7,000 active clients - 22 employees = 318:1

26,000 active clients - 8 employees = 3250:1

30,000 active clients - 38 employees = 790:1

Thus, on average, based on this sampling, (1110:1) debt settlement companies hire on average approximately 10 times the staff to service its clients compared to similarly sized credit counseling companies.

NOTE: The costs noted above are derived from the case study of Nationwide Support Services. In order to determine average costs of servicing a consumer through the entire program, cost data is captured at the unit of activity. The unit of activity consists of enrolling a consumer, inbound phone calls, outbound phone calls, documents processed, account administration, and settlement activities. The second part is accounting specific cost associated with each department that performs a unit of activity. The third process is identifying on average how many units of activity occur on an average debt settlement program. Once all the data is put onto a spreadsheet per month, it is averaged over a period six months to determine the average cost associated for each unit of activity multiplied by the average number of each unit of activity that occurs in a standard debt settlement program. This is then listed, per a standard debt settlement program timeline and the cost associated with each activity.


36 Month Program
Cost versus Fees
$3,000.00
$2,500.00
$2,000.00
$1,500.00
$1,000.00
$500.00
$-
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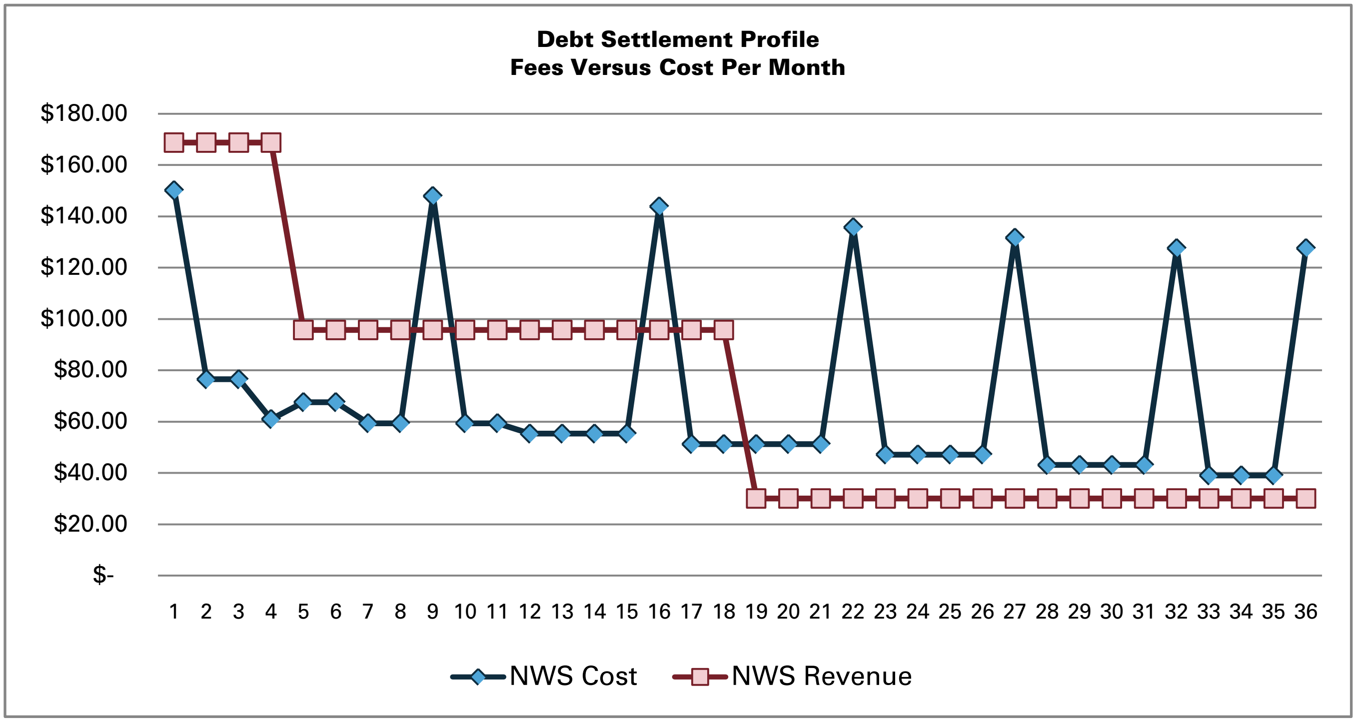
Cost Of Program
Fees from Program


Debt Settlement Profile
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$140.00
$120.00
$100.00
$80.00
$60.00
$40.00
$20.00
$-
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36
NWS Cost
NWS Revenue

State of the consumer after completing the program

In addition to measuring the success of the program by the number of consumers who have completed the program, there are other considerations which relate to improving the financial strength of the consumer, their learning to better manage finances and the changes in their lives over the period they are in the program. Comparing the hardship, stresses, and strains of dealing with debt at time of enrollment, to participation and completion of the program, there appears to be a clear improvement in the consumer's situation both financially as well as mentally.

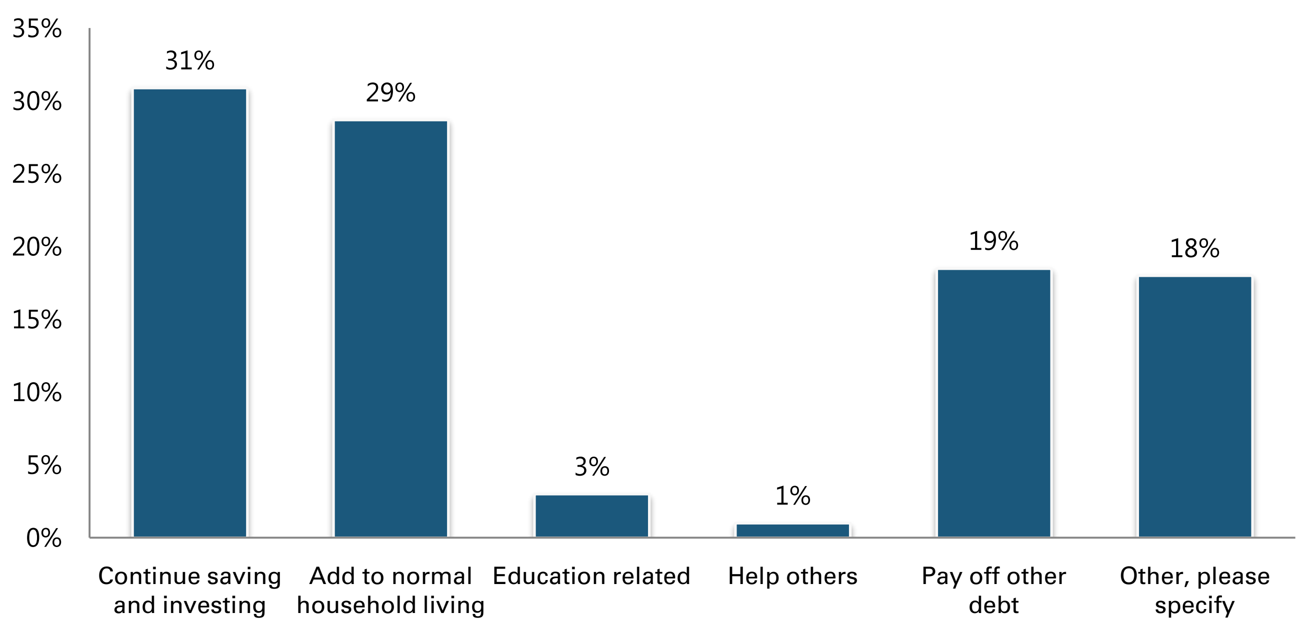
1. Financial Literacy and Money Management.

With the emphasis on financial literacy, consumers are now better equipped to manage their finances as a result of the program. The regular savings habits developed by the consumer over the past 2 to 4 years appear to continue, in many cases, in the form of savings and or investing. This data is determined by the survey of consumers who were surveyed six to nine months after completing the program; 25% of the consumers continued saving and 5% initiated investing: (QSS Survey, 2009)

The **'Other' category from the surveyed responses were:**

- Using the extra money to pay off mortgage
- Helping son with college expenses
- Using the money to help mom & kids education
- Saving for vacation
- Paying off garnishment and other debts
- Saving for a house
- Using money to upgrade house.
- IRA for retirement
- Saving and Investing in 401 K
- Paying parents back
- Paying for medical school

(Source: QSS 2009 Survey)



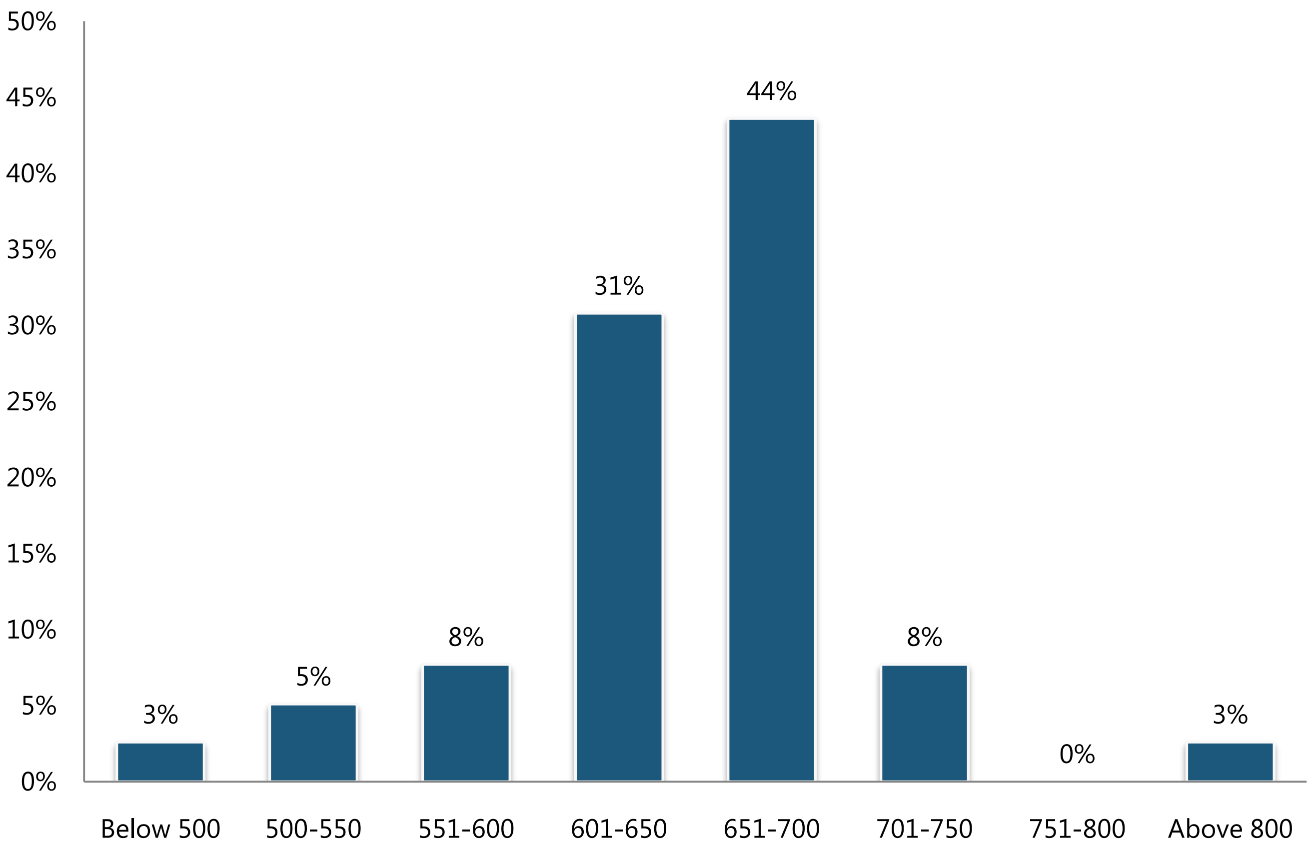
The chart above reflects consumer's answers to the question "How do you feel now that you're completed with your debt settlement program?" (Source: QSS 2009)

Quite clearly, the initial effect of a debt settlement program on a consumer's credit score will be negative. However, a debt settlement program may result in "improved creditworthiness relative to other alternatives available and may lead to improved credit scores for some individuals after completion of a negotiation program," according to an independent report published by NERA Economic Consulting, which analyzed the effect credit negotiation services are likely to have on creditworthiness after an individual completes the negotiation program. (National Economic Research Associates, Inc). This finding is also corroborated through independent research by *Quality Survey Services* in *Texas*, which conducts regular exit surveys of consumers in debt settlement programs.

The reduction of the individual's debt load, gained by the successful completion of the program, in certain instances, helps improve a consumer's debt to income ratio, an important factor in mortgage and auto lending. Hence this is an added value to the consumer. It is also worth noting any negative information on an individual's credit report arising from debt settlement will be less damaging than one due to personal bankruptcy.

2. State of mind and reduced stress

According to Paul J. Lavrakas, a research psychologist and AP consultant who analyzed the results of a 2008 Associated Press-AOL Health Poll, 10 million to 16 million are "suffering terribly due to their debts, and their health is likely to be negatively impacted.'' These are people who reported high levels of debt stress and suffered from at least three stress-related illnesses. The current tough economic times and rising costs of living seem to be leading to increasing debt stress, 14 percent higher in 2008 than in 2004, according to an index tied to the AP-AOL survey.

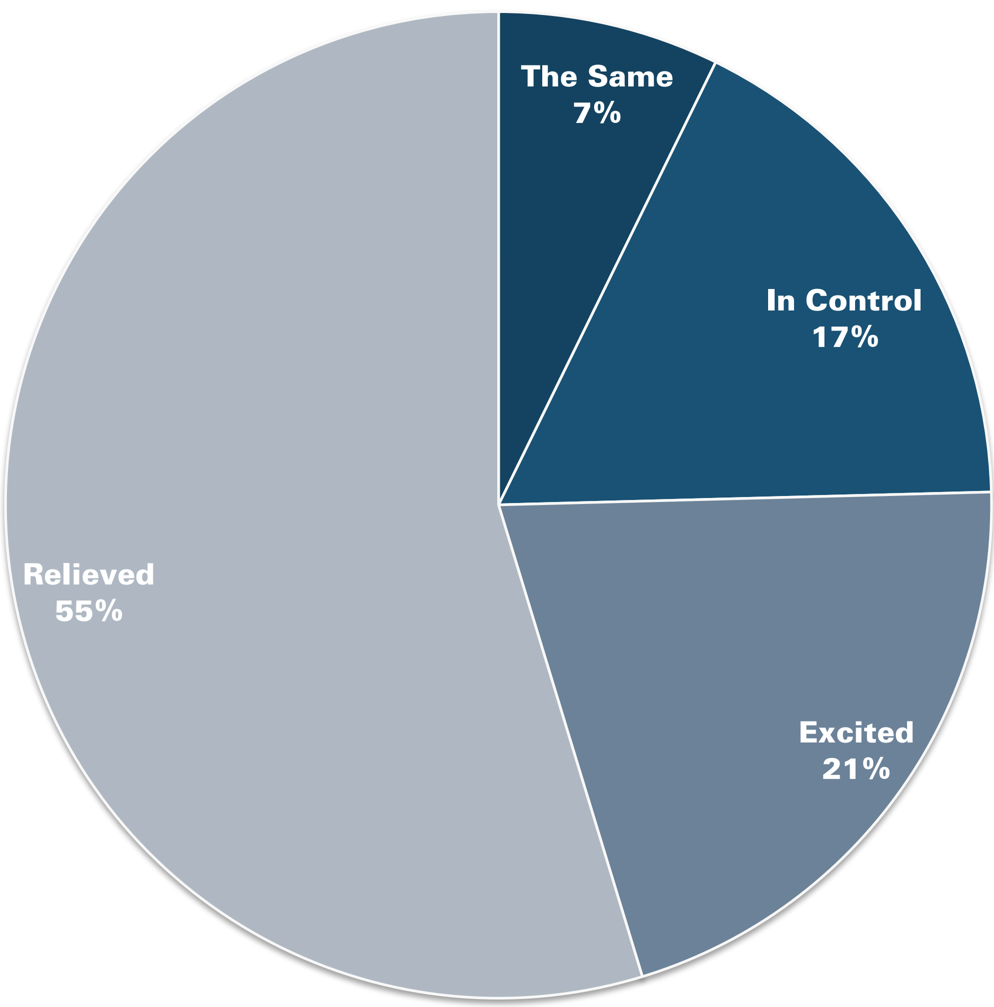


The chart above reflects consumer's answers to the question "If you have run your credit report, what was your FICO score?" (Source: QSS 2009)

Among the people reporting high debt stress in the new poll:

- 27 percent had ulcers or digestive tract problems, compared with 8 percent of those with low levels of debt stress.
- 44 percent had migraines or other headaches, compared with 15 percent.
- 29 percent suffered severe anxiety, compared with 4 percent.
- 23 percent had severe depression, compared with 4 percent.
- 6 percent reported heart attacks, double the rate for those with low debt stress.
- More than half, 51 percent, had muscle tension, including pain in the lower back. That compared with 31 percent of those with low levels of debt stress.

In a 2009 survey of consumers who completed a debt settlement program, 48% of respondents stated that they felt relieved due to the reduction of debt and the rest had expressed varying degrees of emotions that help reduced debt stress and their health as illustrated by the following chart:



The chart above reflects consumer's answers to the question "How do you feel now that you're completed with your debt settlement program?" (Source: QSS 2009)

Listed here are excerpts relating real life experiences for several consumers enrolled in the debt settlement program and the impact it has had on their lives:

Rick C. - MI

"I have learned to live within my means which gives me a good feeling as I am positive I will never have to go to that route again. Debt settlement not only saved me a lot of money, but it taught me how not to get into trouble again."

Mary H. - TX

"Bankruptcy was not the answer as I did not want to destroy my credit over my ex-husband's debt. I decided to call on debt settlement to help me out of his debt. It was good to understand how the credit card companies work and how we could settle these accounts. Thus far everything has gone as expected and I feel the fees have been more than fair because of the settlements I have received already. … It looks as though as I am on track to settle my last accounts in the time agreed as long as I maintain my payments into the plan. I look forward to the day I can say I am debt free."

Brian L. - KY

"With loss of income I quickly found myself falling behind on my credit card payments. I attempted to call the credit card companies to see if they would work with me on some type of payment plan so that I could get caught up with all the late payments and extra fees that they tacked on my balance. They would not work with me at all. The settlement on my largest debt so far exceeded my expectations as they settled for just 20% of what I owed which is far less than I thought even possible. Keep in mind this was the same creditor that would not talk to me at the beginning. There is no way I could do this by myself. Today I have money in the bank, freed up to cover all my normal expenses."

Joseph W. - MD

"Your debt counselors took the time to answer all my questions and were available to me during the entire process. The debt settlement materials sent to me were extremely helpful. After being told what my options were and how your company could help me out of this hole I finally felt like I could take control of my situation. I am more excited to say that due to you program I now do not have any unsecured debt which I NEVER would have been able to do without you. I was so happy with the settlement you got me, but I also learned valuable lessons that have changed my lifestyle. Due to the counseling you gave me in the debt settlement program I have a much better idea of how to budget so that I never have to be in that position ever again. I thank your entire organization for the job they did and the support they offered me."

Arnaldo P. - IL

"I have received settlements on most of my debts and am excited to know that this is almost behind me. I have learned how to manage my money and not use credit cards. Today all I have is a business card. I figured out how to do my spending, I learned how to budget. I don't rely on credit cards anymore, which is comforting to say. "

Lucida G. – CO

"I was surprised that when I called your company your agents actually discussed with me all my options, including Bankruptcy, Consumer Credit Counseling and Debt Settlement. I must say I never felt like I was being sold something, rather I felt that I was being counseled on my options. Upon your companies advice I looked into Consumer Credit Counseling and decided that it simply would take too long and I would not be able to afford those kinds of payments. And I did not want to file Bankruptcy and harm my credit for up to 7 years or more. I am so proud to say that I am now out of debt. The only payment I have is my mortgage payment. I have more money now than I have ever had before. By going through your debt settlement program I have learned to recognize my finances and put myself on a budget. I really feel that you have helped me out not just now but for the rest of my life."

Deborah W - IL

"The costs of the plan were more than fair compared to the settlements I have received. Three of my four credit cards have been settled and I am just one payment away from getting rid of the last card. I am so excited that I am almost through with all of this and will never have to worry about credit cards again. I now know to not have credit cards and I budget a lot better than I ever did before. Thank you for all your help in this and I will be sure to refer friends who might need this program just as my friend referred me."

Source: QSS 2009 Survey

Conclusions:

The Power of Consumer Engagement: Debt Settlement creates a workable plan that provides meaningful debt relief to the consumer. Given the poor financial management skills and lack of savings by most consumers facing financial hardship, the most important value propositions of a debt resolution program is actual debt relief that puts the consumer back in the game and the intensive period of education, coaching, and counseling towards financial literacy to enable a consumer to attain financial strength. Financial literacy gained as an integral part of the debt settlement program is a great facilitator in behavior modification as the consumer feels empowered to be in control of their lives. The process from start to finish empowers the consumer facing financial hardship to navigate through the trials and tribulations of debt stress, and to make an informed choice based on their circumstance. Debt settlement offers a viable choice that provides a real solution with significant measurable results when completed. Post program completion, free from the burden of debt, the consumer now has the knowledge and the capacity to apply their savings into investments and greater financial strength.

Changing Lives: Independent surveys of program participants clearly demonstrate the altered mental state of the consumer before, during, and after a debt settlement program. In addition to gaining financial strength, the consumer feels a sense of relief, reduced stress, and empowered by being in control of their life after completing the program. Therefore, the success metrics are more than money – it is about changing lives. Being rid of the stresses of debt, consumers who have completed the debt settlement program have a better quality of life, feel more at ease with themselves and have improved relationships.

Costs of a Managed Relationship: An effective debt resolution program (Trust/Education) begins to incur significant hard costs from the outset. There is an intensive process to sustain consumer engagement from the beginning to provide an effective financial literacy education program to ensure a successful completion of the program leading to financial strength. There is significant difference between a transaction and a managed relationship like debt settlement, which requires adequate human resources. Debt Settlement companies on average hire one employee for every 85 consumer clients enrolled and serviced and some even have lower ratios.

Limiting Fees is to Limit Consumer Choice: Limiting fees collected by all debt settlement companies and/or limiting the collection of fees once a settlement is completed will result in reduced services to the consumer, a less effective program and fewer consumers receiving the benefit of the program. The sole beneficiaries of reduced fees will be the creditors (not consumers). In the long term, the real value of such a program is not only debt settlement, but the valuable foundation provided to the consumer for behavior modification of spending through consumer education, and financial literacy through innovative and engaging financial literacy education programs such as *Debt Talk*™ and *The FrugalitGame*™ as developed by Nationwide Support Services. The very best option for debt resolution for a consumer is <u>choice</u>. Only with the appropriate number of options to choose from can a consumer make the best choice dependent upon their particular circumstances.

Debt settlement, and for that matter, any of the other available options, is not a one size fits all solution. It is evident from this submission that the very best option for debt resolution for a consumer is choice. Only with the appropriate number of options to choose from can a consumer make the best choice dependent upon their particular circumstances. This is very much in keeping with the stated philosophy of the Federal Trade Commission that *"Competition in America is about price, selection and service. It benefits consumers by keeping prices low and the quality and choice of goods and services high"* (FTC 2009).

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TESTIMONIAL

CLIENT NAME: Rick Comer
ADDRESS:
DATE: 5/14/09
PHONE NUMBER:

<u>Please describe below, in your own words, your experience with DEBT SETTLEMENT:</u>

I was very skeptical about debt settlement due to all the ads I had seen on the news and in the papers. I must say I was leery to start the program because I didn't know if it was a scheme or what, but due to the difficult time I was having financially I called in for more information. I went through a divorce which saddled me with the majority of the combined debt but with only one paycheck instead of two to pay for it. The way I saw it I could either file Bankruptcy or try debt settlement. I absolutely did not like the idea of bankruptcy so I called to find out more about a settlement program.

After my first conversation I felt a lot better about settlement. The counselors were always available to answer my calls and emails and they explained to me that my credit would rebound quicker and that they would get settlements between 40% to 60%. I entered into the plan and as time went by I felt more comfortable. Your company always took the time to explain things so I never felt like I was on my own.

Once the settlements were complete I was very pleased. They settled all 5 of my credit cards between 50% to 60% so they were good on their word. I only have 1 credit card now and I have learned my lesson. I have learned to live within my means which gives me a good feeling as I am positive I will never have to go that route again. Debt settlement not only saved me a lot of money, but it taught me how not to get into trouble again.

Sincerely,

Rick Comer

TESTIMONIAL

CLIENT NAME: Mary Hodge
ADDRESS:
DATE: 6/2/09
PHONE NUMBER:

Please describe below, in your own words, your experience with DEBT SETTLEMENT:

My financial problems started when I was newly married and my husband ran up my credit cards until they were maxed out. We are now divorced and he refuses to help with this debt so I am stuck with the payments. I looked into other options but I had none. Bankruptcy was not the answer as I did not want to destroy my credit over my ex-husband's debt. I decided to call on debt settlement to help me out of this debt.

When I called into my settlement company they took the time to explain the costs of the program and they spent even more time on breaking down how this process works. It was good to understand how the credit card companies work and how we could settle these accounts. Thus far everything has gone as expected and I feel the fees have been more than fair because of the settlements I have received all ready.

I am very satisfied with the program so far. I had about 6 credit cards in the program and a repo and now thanks to settlement I am down to 3. It looks as though I am on track to settle my last accounts in the time agreed as long as maintain my payments into the plan. I look forward to the day that I can say I am debt free!

Thank you,

SIGNATURE: Mary Hodge

TESTIMONIAL

CLIENT NAME: Brian Long
ADDRESS:
DATE: 5/14/09
PHONE NUMBER:

Please describe below, in your own words, your experience with DEBT SETTLEMENT:

I have worked with the same company for years in the automotive industry. The economy has hit our industry hard which led to many people at my company to get laid off. While I was fortunate to keep my job my hours were cut drastically. With loss of income I quickly found myself falling behind on my credit card payments. I attempted to call the credit card companies to see if they would work with me on some type of payment plan so that I could get caught up with all the late payments and extra fees that they tacked on to my balance. They would not work with me at all.

Knowing that my credit was already affected I decided to enter into the program for debt settlement. With the help of my counselors it was a lot easier to deal with the difficult times. It was a lot less stressful knowing that I had someone working on my behalf. The settlement agents always took the time to answer my questions. I was informed of how long this would take and what it would cost and when it was all said and done they came through on their word.

The results I got in settlement were amazing. The settlement on my largest debt far exceeded my expectations as they settled for just 20% of what I owed which is far less than I thought even possible. Keep in mind this was the same creditor that would not talk to me at the beginning. There is no way I could do this by myself. Today I have money in the bank freed up to cover all my normal expenses. It felt gratifying to settle for so little after all the time that I spent and that your company spent during the settlement.

Thank you,

Brian Long

TESTIMONIAL

CLIENT NAME: Joseph Walker
ADDRESS:
DATE: 5/14/09
PHONE NUMBER:

Please describe below, in your own words, your experience with DEBT SETTLEMENT:

I had suddenly lost my job and the debts quickly piled up. I could not make the minimum payments and fell behind. To make things worse the bank that I owed increased the interest rate from 3% up to 14% after I went late. There simply was no way to pay on all this debt. I was getting bombarded with calls from the collection people at all hours of the day and they were extremely rude and demanding. I was more than concerned with their threats so I knew I needed to do something. The only problem was I did not know where to turn.

Checking around I came across debt settlement and ended up making the best call I ever made in my life. In talking with your company I was immediately put at ease when it was explained to me the process of debt collection. Your debt counselors took the time to answer all my questions and were available to me during the entire process. The debt settlement materials sent to me were extremely helpful. After being told what my options were and how your company could help me out of this hole I finally felt like I could take control of my situation. Your company explained what the creditors would do and how I could respond to them.

I am more than excited to say that due to your program I now do not have any unsecured debt which I NEVER would have been able to do without you! I was so happy with the settlement you got me, but I also learned valuable lessons that have changed my lifestyle. Due to the counseling you gave me in the debt settlement program I have a much better idea of how to budget so that I never have to be in that position ever again. I thank your entire organization for the job they did and the support they offered me.

Thank you,

Joseph Walker

TESTIMONIAL

CLIENT NAME: Arnaldo Posadas
ADDRESS:
DATE: 5/20/09
PHONE NUMBER:

Please describe below, in your own words, your experience with DEBT SETTLEMENT:

We had just bought a new home as my wife and I had a new baby. Of course right after we moved in I lost my job. Our expenses were higher than we were used to with the new mortgage payment and the extra expenses with our new child. I had to use credit cards to pay for groceries and other expenses. I looked into any and all options. I would not do bankruptcy because it would be on my credit for 7 years and I wanted to rebuild faster than that. I called on a refinance as I had some equity but I decided not to do a new loan due to past experiences with closing costs, hidden fees and I would have a large prepayment penalty to pay off my old loan.

After looking into debt settlement and seeing that it would be a faster solution to my problems I decided to go with it. I like that I could rebuild my credit within 2 to 4 years rather than 7 years in bankruptcy. I was told the costs up front and the fees were broken down so I understood what went to fee and what went to my savings account. I was told how the program works and was not surprised when I continued to get calls from my credit card companies.

Overall on a scale of 1 to 10 I give it an 8. I have received settlements on most of my debts and am excited to know that this is almost behind me. I have learned how to manage my money and not use credit cards. Today all I have is a business credit card. I figured out how to do my spending, I learned how to budget. I don't rely on credit cards anymore which is a comforting thing to say. Thank you for your help in debt settlement.

Thank you,

SIGNATURE: Arnaldo Posadas

TESTIMONIAL

CLIENT NAME: Lucinda Gordon
ADDRESS:
DATE: 5/14/2009
PHONE NUMBER:

<u>Please describe below, in your own words, your experience with DEBT SETTLEMENT:</u>

When no one else would help me your company did! I had become extremely ill and was hospitalized and out of work. My medical bills quickly got out of hand so I had no choice but to use credit cards to pay for medical costs. With limited income and increasing monthly obligations I quickly fell behind. I tried everything in my power to find a way to get some relief from these payments. I repeatedly contacted my creditors asking them to consider lowering my interest rates or giving me some sort of payment plan. I had never been late before and figured they would help me. Unfortunately they would not do a thing to help me.

I was surprised that when I called your company your agents actually discussed with me all my options, including Bankruptcy, Consumer Credit Counseling and Debt Settlement. I must say I never felt like I was being sold something, rather I felt that I was being counseled on my options. Upon your companies advice I looked into Consumer Credit Counseling and decided that it simply would take too long and I would not be able to afford those kinds of payments. And I did not want to file Bankruptcy and harm my credit for up to 7 years or more. Once I entered into the program it was nice to know that I had someone on my side that if necessary would aggressively go after my creditors.

I am proud to say that I am now out of debt. The only payment I have is my mortgage payment. I have more money now than I have ever had before. By going through your debt settlement program I have learned to reorganize my finances and put myself on a budget. I really feel that you have helped me out not just now but for the rest of my life.

Thank you for all your help!

Lucinda Gordon

TESTIMONIAL

CLIENT NAME: Nick Pappalas
ADDRESS:
DATE: 5/28/09
PHONE NUMBER:

Please describe below, in your own words, your experience with DEBT SETTLEMENT:

I had very good credit. However, things became difficult. Rising consumer prices, higher taxes and a hefty mortgage payment among other issues forced me to overextend my credit. I took my credit cards to the limit and became unable to make the payments. I did not want to claim bankruptcy, so I chose to go with a debt settlement company.

I feel my settlement company did explain the program in detail and properly. The program fees were disclosed and were more than fair based on the settlements I have received so far. So far the program seems to be on target to settling my debt. I became seriously ill for about six months and was unable to make my monthly payment. My settlement company was understanding and re-instated me after the six months.

I feel the program has been successful up to this point. As the program nears it's conclusion I feel a sense of accomplishment. The program has given me a better understanding on how to budget my money and use credit wisely.

Thank you,

SIGNATURE: Nick Pappalas

TESTIMONIAL

CLIENT NAME: Lisa Haight
ADDRESS:
DATE: 5/18/09
PHONE NUMBER:

Please describe below, in your own words, your experience with DEBT SETTLEMENT:

I had extreme financial problems as I was diagnosed with cancer and lost my job. I was completely out of work and spent months trying to get disability. I was refused disability pay. To add to the problem I went through a difficult divorce. So I went from two incomes down to no other income other than child support. I had to use my credit cards to provide for me and my children. The child support couldn't even cover the monthly expenses so I found myself using credit cards to pay for everything else including the mortgage payment.

After talking to the debt settlement agents I learned that I actually could find a way to get out of this debt without bankruptcy. Based on my minimal income I could not qualify for a loan and I couldn't make payments in consumer credit counseling. The settlement agents really worked with me to find a solution with a payment I actually could afford. They also gave me great advice on how to deal with the creditors and kept me on schedule to keep me in the p0lan to work towards a final goal.

I am more than satisfied with the results. My credit card debt would have taken my life to pay off and it took less than 3 years. I don't use credit cards anymore. I use my debit card for any purchases I need as I refuse to use credit cards. I simply won't get one. I am much more comfortable now without all that debt. Thank you for showing me the way and coming through on your promises to help get me out of debt and help me move on with my life.

Thank you,

SIGNATURE: Lisa Haigh

TESTIMONIAL

CLIENT NAME: Deborah Williams
ADDRESS:
DATE: 5/21/09
PHONE NUMBER:

Please describe below, in your own words, your experience with DEBT SETTLEMENT:

I was caring full time for my ailing mother and took on a lot of additional expenses. Once my mother passed I lost her income and assumed her debts. Things were tight already and now with this additional debt I fell short on making the minimum payments. I started looking around for a way to get out of debt. I had gone through bankruptcy before so that was not an option as I knew how long that would hurt my credit. I talked to a close friend and she referred me to debt settlement.

When I called the people were very good, very informative. The information sent to me helped. I learned that the credit card companies would say and do anything to get me to make payments. It was comforting to know how to talk to them and how to get the calls to slow down.

The costs of the plan were more than fair compared to the settlements I have received. Three of my four credit cards have been settled and I am just one payment away from getting rid of the last card. I am so excited that I am almost through with all of this and will never have to worry about credit cards again. I now know to not have credit cards and I budget a lot better than I ever did before. Thank you for all your help in this and I will be sure to refer friends who might need this program just as my friend referred me.

Thank you,

SIGNATURE: Deborah Williams [