



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

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NFCC SUPPORTS NEW DEBT SETTLEMENT CONSUMER PROTECTION ACT

Upon Enactment, Millions Would Be Protected from Predatory Practices

Silver Spring, MD – The National Foundation for Credit Counseling (NFCC) is proud to support the Debt Settlement Consumer Protection Act introduced earlier this week by U.S. Senators Charles E. Schumer (D-NY) and Claire McCaskill (D-MO).

“This legislation safeguards consumers against the deceptive and abusive practices of some debt settlement companies, and couldn’t come at a better time. Millions of Americans are struggling to do the right thing and repay their debts, but all too often fall victim to too-good-to-be-true promises from debt settlement companies that never materialize,” said Susan C. Keating, president and CEO of the NFCC.

The nonprofit NFCC Member Agency network assisted close to four million consumers last year, some of whom had unsuccessfully worked with an unscrupulous debt settlement company. By the time they reach out to an NFCC Member Agency to put the pieces of their financial lives back together again, it is often too late. Unfortunately, the damage is often severe, with their debt having grown and their credit rating having taken a nosedive.

Elements of the legislation include much-needed consumer protections such as increased disclosures, a limit on the fees that debt settlement firms can charge, and additional enforcement power to state and federal officials to crack down on these abusive and predatory companies.

Until the legislation becomes law, consumers considering using a debt settlement company would be wise to:

- **Review the company’s record** with the Better Business Bureau as well as their state Attorney General or Commissioner of Banking;
- **Confirm that the account** holding your deposits is FDIC-insured;
- **Obtain all disclosures** in writing, including a good faith estimate of costs associated with the settlement;
- **Inquire about refunds** of any money on deposit should you wish to drop out of the program; and

- more -

- **Be cautious about promises** or guarantees that seem unrealistic.

To review your debt resolution options, reach out to a trained and certified counselor associated with an NFCC Member Agency. To find the location closest to you, call toll- free to (800) 388-2227, or go online to www.DebtAdvice.org. For assistance in Spanish, dial (800) 682-9832 or visit www.Terminconsudeuda.org.

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The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation's largest and longest serving national nonprofit credit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior and build capacity for its Members to deliver the highest quality financial education and counseling services. NFCC Members annually help four million consumers through close to 830 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC Member, call (800) 388-2227, (en Español (800) 682-9832) or visit www.nfcc.org. Visit us on Facebook at <http://www.facebook.com/NFCCDebtAdvice> and on Twitter at <http://twitter.com/NFCCDebtAdvice>.