

**The Debt Management Plan (DMP) of**  
**Consumer Credit Counseling Service of Forsyth Co., Inc.**

**What does your agency do?**

Our services include financial assessment and budget review, a debt management program (DMP) to pay off your unsecured (credit card) debt, credit report review, mortgage default counseling, and foreclosure prevention counseling.

**What makes you different from other Credit Counselors?**

The difference is in the professional qualifications of our counselors and agency. CCCS Counselors are Certified through our National Trade Association - the National Foundation for Credit Counseling - to meet a high standard of ethical practice and financial counseling. They continue to develop as professionals throughout their career with CCCS. The Agency meets the high standards of certification by the Council on Accreditation.

**How does a DMP work?**

The Debt Management Program works with your creditors individually to get you the lowest acceptable payment and interest rate allowed, often resulting in a reduced and manageable monthly payment amount you can work into your budget.

**Do you have to be in a financial crisis to qualify?**

No, the DMP is open to anyone as long as we can document a budget that meets the creditors' requirements.

**Is it like Debt Consolidation?**

Each account remains separate – but - you make one monthly payment to CCCS to cover all your creditors on your plan. Then the payments are disbursed for the agreed amounts to each individual creditor until the debt is paid off.

### **What is the average length of time it takes to pay off?**

55 - 60 months

### **What is the average payment?**

A “ballpark” figure is 2.5% of your balance: On a debt of \$10,000, about \$250 per month; on a debt of \$40,000, about \$1000 per month. Interest rates on average will be 10% or less. Rates may fluctuate, but usually the rates you get once you are on a plan do not change. We can give you an estimate based on your accounts when you come in for counseling.

### **Will the DMP save me any money?**

When we give you a quote on the DMP, you will receive a comparison of the CCCS DMP and the self-administered payment plan you are on now. You can then compare before deciding. In fact, our counselors will help you explore all your options so you can make the decision that is right for you.

### **How soon can I start it?**

As soon as we receive the necessary information and your first payment plus set-up fee (\$25), we send it to our Denver processing office and the proposals go out to creditors. It usually takes 2-4 weeks to set up, depending on who your creditors are and how you choose to pay - a personal check will be held for a week before processing.

### **Why are there so many fees? I thought a “non-profit” meant “free.”**

As a non-profit agency, we incur operating expenses much like a church, the Red Cross, or any other United Way agency. We request counseling fees from clients to help offset our operating expenses, not to earn a profit. We waive counseling fees for clients who cannot afford to pay. Fees for the DMP help to cover our cost of processing and customer service. The monthly DMP fee is 10% of your payment amount up to a maximum of \$30.

### **Do I have to stop using all my credit cards?**

The purpose of the plan is to get out of debt, so incurring more debt can defeat your purpose. Some creditors allow you to keep a card open for emergencies, others do not. Once we identify

your creditors, we can give you a definite answer. You cannot continue to use the cards that you put on a plan.

### **What will it do to my credit score?**

Some creditors might report that you are not paying as “originally agreed,” even though they have accepted the lower payment. You may be reported as “delinquent” if you were delinquent prior to starting a plan. Much depends on the creditor’s reporting policies. Some creditors may report they are being paid through a “counseling agency,” others won’t. Your prior payment history will also affect your ability to get future credit. Your ability to get new credit while on a plan may be impaired. Once you complete the DMP, any notation that you are on a plan should be removed by your creditors.

### **Can I include debts from my small business?**

It depends on how it was entered and approved on the credit application, also on the particular creditors involved. Some will allow it, others do not. We will be glad to take a look at these accounts when you come in for counseling.

### **Do you do Debt Settlement?**

No. Businesses that offer Debt Settlement generally charge high fees up front, let all your accounts go into default and then to collections. During this process, your account builds up late fees and possibly over limit fees from many months of non payment. Then the debt settlement company will try to settle your debts for a percentage of your original debt. We do not recommend debt settlement as an option because debt settlement plans often include large up front fees before any action is taken to settle your debts. Debt settlement will have a severe negative impact on your credit report and credit score for up to 7 years.