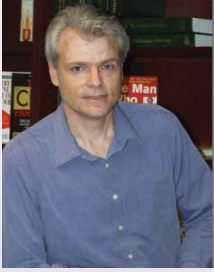


## Consumer Alert Issued Regarding Credit Counseling Services

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Recently the Texas Attorney General's office issued a Consumer Alert regarding credit counseling services and related enterprises. "Credit Counselors" provide education. "Debt Management" firms allow someone to consolidate their debt into a single monthly payment, perhaps at a lower interest rate.

"Debt Settlement" or "Debt Negotiation" is a risky procedure involving halting payments to creditors and attempting to renegotiate not just interest rates but the principal owed as well. There are legitimate businesses in this area, but the field is rife with scams and incompetents as well.

Before committing to a service, check to see if there have been complaints against the firm filed at the Office of the Attorney

General ([www.texasattorneygeneral.gov](http://www.texasattorneygeneral.gov)) or the Better Business Bureau ([www.bbb.org](http://www.bbb.org)). Check if they are members of national accreditation organizations such as the National Federation for Credit Counseling ([www.nfcc.org](http://www.nfcc.org)) or the Association of Independent Consumer Credit Counseling Agencies ([www.aiccca.org](http://www.aiccca.org)).

Don't suspend your skepticism just because an organization claims to be "nonprofit." In 2006 the IRS investigated numerous "nonprofit" credit counseling agencies and found that most were erroneously claiming this status.

Read the brochure provide by the Federal Trade Commission "Fiscal Fitness: Choosing a Credit Counselor," available at [www.ftc.gov](http://www.ftc.gov).

*If you have questions about how debt affects your financial situation, please call HMEPS' Financial Counselor, Steve Waas.*