



CONSUMER CREDIT
COUNSELING SERVICE

Client Handbook

*Questions & Answers about
Debt Management Programs*

Chattanooga (800) 459-2227

Huntsville (888) 381-8178

Dear Client,

Welcome to Consumer Credit Counseling Service's Debt Management Program! Your decision to repay your creditors through our program indicates responsibility and determination. We commend you on taking the first step to regain control of your financial situation. We are confident in you and believe you can accomplish your goals.

Many questions about your Debt Management Program are answered in this handbook. Please read it thoroughly and keep it in a convenient place for future reference. If you have any further questions, please contact your Counselor. Our staff will put forth every effort to make your Debt Management Program a success. However, please remember the following:

- You are the only one who can get yourself out of debt. We can give you advice, provide a plan for repayment, and work with your creditors, but you must pay your own way out.*

- It will not be quick and easy. Most people slip into debt a little at a time and must work themselves out the same way. You must be willing to make necessary changes.*

- You must keep your word with us. It is crucial to send your deposits on time. Your creditors will maintain faith in CCCS and you as long as you perform as agreed.*

Good Luck!

*Give these important questions and answers
your careful consideration as they are intended to help
you and your family work through
financial difficulty.*

What exactly have we done?

You have taken the most difficult step toward getting out of debt by contacting our office and seeking help. Family finances are personal and difficult to discuss with others. We commend you for keeping your appointment and seeking professional advice.

When experiencing financial difficulties, it is sometimes hard to face facts. You may be feeling frustration, anger, fear, and confusion right now, that's normal. The Debt Management Program established for you by your Counselor provides a link between you and your creditors.

“Do’s” for our Debt Management Program

- ✓ Do keep in touch and let your Counselor know immediately if any problems arise. Our Counselors are available from 8:30 a.m. - 6:00 p.m. Monday – Wednesday, 8:30 a.m. - 7:00 p.m. on Thursday and 8:30- 12:00 on Fridays. During this time they can be reached at (800) 459-2227 for Chattanooga and (888) 381-8178 for Huntsville.
- ✓ Do mail your deposits on time. Send cashier's checks, certified checks or money orders only. No personal checks or cash are accepted. Automatic Withdrawal is also an option.
- ✓ Do inform us immediately of any change in your name, address, marital status, or employment.
- ✓ Do make sure that we have the accurate names, addresses and account numbers of all of your creditors as soon as possible in order to complete your file and speed it's processing.
- ✓ Do closely monitor your creditors' statements to ensure that CCCS deposits are being properly credited. **If some of your**

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creditors waive fees or reduce interest, make sure that this has been done properly. Also, keep us informed if any accounts are turned over to collection agencies or if any creditor notifies you of an account number or address change.

“Don’ts” for the Debt Management Program

- ✓ Don't make any payments directly to your creditors unless you have discussed this with your Counselor. Send all deposits, including any late or extra payments directly to CCCS.
- ✓ Don't apply for additional credit without first talking with your counselor. If you do, you will place your Debt Management Program in jeopardy.
- ✓ Don't panic! If you don't understand something about your creditors' statements or mailings, call us. We've been dealing successfully with concerned creditors and clients for many years.

Will CCCS contact our creditors in the Debt Management Program?

We will send a written proposal to each of your creditors when you agree to the program and all of the necessary documents have been submitted. This letter will advise each creditor that you have sought debt repayment assistance through CCCS and request the creditor's support. The proposal letter will identify the following for each creditor:

- ✓ Your account number
- ✓ Your total indebtedness
- ✓ Your net income
- ✓ Your living expenses
- ✓ Your proposed repayment amount
- ✓ The date the creditor may expect a payment

What happens if we receive a large sum of money and want to pay off our account early?

When circumstances allow early payment, please bring it in. Please make these final payments through CCCS.

Will our creditors still contact us?

Once creditors begin to receive regular payments through CCCS, they should stop calling you. This could take up to three months. If they continue to call after you are enrolled in the Debt Management Program, do not refuse to talk to them. Instead, encourage them to contact your Counselor.

If they refuse to contact CCCS, please get the name of the person calling, their phone number, fax number, and the creditor's name. Give this information to your Counselor and we will contact the creditor for you.

Some creditors may try to convince you that they do not accept CCCS payments or that they have never heard of us. We can verify whether a creditor does or does not accept our plan. A vast majority of creditors do. Do not be intimidated; call us to find out for sure.

You may continue to receive routine collection letters from your creditors. The majority of these letters are computer generated and are no cause for alarm. However, if you receive correspondence concerning legal action or placement of your account with a collection agency, please contact your Counselor so that we can verify that your payments are being posted correctly.

Will we receive statements from our creditors?

Unless a creditor has written off your account as a bad debt, they usually continue to send monthly statements. This is to make sure that your accounts are being properly credited with the deposits sent by CCCS. You should send a copy of each of these statements to our Counselor every three months. The balance on your CCCS statement can then be updated to include any finance charges or late fees added by your creditors.

Must all of our creditors be included in our Debt Management Program?

CCCS works well because all creditors are treated fairly and equitably. In most cases, all unsecured debts that you owe must be included in your Debt Management Program.

When is our deposit due?

Payment date is the 16th of each month. If payment date falls on a weekend then all payments are due the following Monday by close of business.

May we pay with a personal check?

No. CCCS cannot accept personal checks. We accept only money orders, cashier's checks or certified checks. In addition, your name must be written clearly on the money order, cashier's check or certified check as additional identification of payment. We now offer electronic payment transfer - ask your Counselor.

To whom should we make our money order, certified check or cashier's check payable?

Your money order, certified check or cashier's check should be made payable to CCCS or Consumer Credit Counseling Service. Always print your name and Client ID number on your money order, certified check or cashier's check. You may also arrange for automatic withdrawal.

What if our deposit is late?

Deposit due dates are established to make certain that all CCCS client deposits are processed and received by creditors in a timely manner. Deposits to CCCS received after your due date will not be forwarded to creditors until the next disbursement date.

Can we increase our monthly deposit to CCCS?

Definitely! Any time you have the good fortune of having extra money to send to your creditors, you should do so. Remember, your objective is to get out of debt as soon as possible. Extra funds will be distributed equitably to your creditors or you can choose to pay-off a particular creditor.

What if we miss a deposit?

If you miss one deposit, CCCS will notify you by letter. If you are having a problem making a deposit, please call us immediately. By keeping the lines of communication open, we are better able to work with your creditors to ensure the success of your Debt Management Program. Every effort must be made to keep your agreement to make the full deposit on time each month. If you miss two consecutive payments, you may be dropped from the program and you and your creditors will be notified as to this action.

Can our creditors take legal action against us while we're enrolled in the Debt Management Program?

Most creditors prefer to receive payments through CCCS rather than go to court. Many stop legal action or hold judgments in abeyance if they are receiving timely payments through CCCS. However, if you should receive a summons to court, please notify us and follow all instructions of the court or your attorney. You may wish to provide the judge or mediator with a copy of your CCCS paperwork as evidence of your good faith effort to repay the debt.

Will creditors help us re-establish credit?

There are an increasing number of creditors who will consider giving credit to those CCCS graduates who have successfully completed their Debt Management Program.

What if we have to borrow money?

The agreement you signed at the beginning of your Debt Management Programs asks that you not seek any additional credit while you are a CCCS client. Should an emergency arise, please call your Counselor before you apply for any additional credit. We can provide you with a letter attesting to your payment record with us.

Will our credit rating be protected by using CCCS?

CCCS does not report your participation in the Debt Management Program to credit bureaus. However, be aware that each creditor deals with CCCS clients in a different way. Some may report your account as current when they receive our proposal, while some do this after receiving three consecutive payments through CCCS.

Other creditors will consider your account delinquent and will continue to report these delinquencies even though you are working with CCCS. They will accept the payment and stop calling you, but they may still report negative information to credit bureaus. It is up to the individual creditor to make changes in the "History of Payment" column on your credit report.

Some of your accounts may be charged to profit and loss by your creditors during the course of your program. This will depend on the condition of the account when you entered the program, the size of monthly payment you will be able to make, the creditor's general policy, and other factors. Your Debt Management Program does not replace your contractual legal obligations to your creditors.

Upon completion of the program, we suggest that you obtain a copy of your credit report to make sure it is accurate.

What if we want to withdraw from the Debt Management Program?

Your Debt Management Program is a voluntary plan on your part, our part and your creditors' part. You may withdraw at any time.

How is CCCS funded?

CCCS is funded primarily through contributions from the business and professional community as well as donations from our clients. To help support the services of CCCS, creditors return a percentage of the debt-management plan payment to CCCS in the form of a voluntary fair-share contribution. Some creditors contribute more, some less, some not at all. CCCS will work with all creditors on your behalf, regardless of the contribution or lack thereof. The entire payment to the creditor is credited to your account.