

(**REPORT**)

CONTACT INFO

Name: Cambridge Credit Counseling Corp.

Website: www.Cambridge-Credit.org

Phone Number: 800-857-2808

COMPANY STATS

In Business Since: 1996

BBB Rating: A+

BBB Accredited: Yes

Non-Profit Status: Yes – they are designated a 501(c)(3) non-profit credit and housing counseling agency.

CEO's Name: Christopher Viale

ABOUT / SOLUTIONS

Cambridge Credit offers financial education, credit counseling, and debt management services. As a non-profit, many counseling services are offered for free and those who can benefit from lower interest rates and fees on their credit cards may qualify to be enrolled in their debt management program. With their action plan they aim to help you become debt free much faster than you likely can on your own because they partner with the major creditors helping to prevent your debt amounts from snowballing. In addition, in recent years they have branched out to become a HUD approved housing counseling agency to provide foreclosure assistance.

BENEFITS

- » A personalized get out of debt action plan
- » Many free counseling services, programs, and resources
- » Lower interest rate
- » Reduced fees and penalties
- » Troubled mortgage assistance

OPERATIONS

Follow All Laws: A personalized get out of debt action plan

Upfront Fees: Many free services are available and low cost debt management programs as regulated by the government

Everything Done In-House: Yes

SUCCESS FACTS

Number of Clients Helped: Over 1 million consumers have been counseled by Cambridge

Success:

- » In their most recent transparency report, they were able to achieve an average of a 14.49% reduction in their client's interest rates.
- » In addition they successfully lowered payments by an average of \$141.58 per month.
- » They had a client satisfaction rate of 96.6%

OUR CONCLUSION

Cambridge Credit Counseling is often held up as the poster child of how to run a credit counseling agency. Their long history has resulted in a stable management team which took over in early 2000's and has resulted in a high quality operation. In fact, their average counselor has been there for 10 years, a true sign of a high quality organization that takes care of their clients as well as they take care of their employees. You can even go to their website and "meet" all their counselors and management who are all listed with pictures. Their transparency continues as they release regular reports they publish on their website that details the success their client's experience as debt management clients with specific savings numbers.

We have suggested Cambridge to people every day for the past 5 years and thousands of people later, we hear nothing but praise for their organization and services. This experience is apparently common as you'll not see a single BBB complaint on their BBB report in the past 3 years.

Certifications & Association Affiliations

AICCCA Member – Cambridge is a member of the Association of Independent Consumer Credit Counseling Agencies which monitors and ensures their members adhere to strict guidelines and standards of service.

National Industry Standards for Homeownership Education and Counseling – Cambridge is a member to ensure they provide high quality and accurate advice surrounding financial housing assistance.

Association of Credit Counseling Professionals – Another organization Cambridge is a member of to promote best practices in the industry.

BBB Accredited – Cambridge Credit has undergone the BBB accreditation process further validating its credibility and integrity.

EDUCATE YOURSELF

How to Choose a Safe Debt Relief Company

We've all seen the TV ads and heard the radio spots telling us Company XYZ can solve all our credit card debt problems. There are so many companies screaming at you claiming free debt advice and providing credit/debt solutions with phrases like “consolidate”, “negotiate”, “settle”, “counseling”, “management” and on and on it goes. They all want you to call them for their “free consultation.” It's more than a bit overwhelming to most people who know they have a problem but have no idea where to begin to go to get a reliable, legal, and trustworthy solution.

Debt is a financial problem for sure but it's different than most financial problems. Let me tell you why this is true. It's simple: there are no well-known household brands that people trust to turn to when they have a debt problem.

Think about it:

- » When you have a tax problem, you know you can go to H&R Block.
- » When you need to refinance your home, you know you can go to your bank
- » When you need to set up a retirement plan, you know you can talk to your local brokerage branch
- » When you need insurance, Allstate is there
- » Etc...Etc...

You want to know who's the best at helping people like you get out of debt providing credit card debt help services? Like any service, "best" really depends on what is right for you. We have researched many debt companies personally and have now helped over 70,000 people. There are so many debt relief companies out there that can help you but you must do your research to determine which debt company you feel most comfortable with.

THERE ARE NO CONSUMER REPORTS RANKINGS

Unfortunately the debt relief industry is so over-powered by the money minting companies in the credit card industry, that the mainstream media does not want to give debt settlement and debt management companies the respect they deserve. After all, they assist hundreds of thousands of consumers every year with debt problems that are only getting more prevalent in our country with each passing day. As a result, the debt relief industry is possibly one of the largest unrecognized and below the radar industries in existence.

WHICH SOLUTION IS BEST FOR YOU?

Well, in order to answer that question first determine the type of debt that's best for you. Your answer will depend on many questions such as:

1. Do you own a home with equity in it?
2. How much debt do you have relative to your income?
3. Are you making your monthly minimum payments?
4. What type of debt is it – credit card, medical bills, tax debt, student loan debt, etc.?
5. How good is your credit score? How important is that to your situation?
6. How much can you save per month if you are disciplined about your finances?

These are just a few of many additional questions you must ask yourself and discuss with people who can help guide you in the right direction. Once you have an idea of the type of debt solutions you may want to pursue having weighed the pros and cons of each (keep reading to learn more about the primary types of unsecured debt relief available), finding the best debt company for you is much easier.

WHO SHOULD YOU USE?

Due to the fact that debt relief companies are not widely known amongst the general population, your decision as to who to use must be based on your own research. Fortunately, almost all debt relief companies will provide you with a free consultation to discuss their program with you. We suggest you find one you are comfortable with and who is 100% upfront about:

1. Their fees
2. The pros and cons of their solution (if they say there are no cons, move on)
3. Their company's experience and size
4. Client references
5. Trade organization memberships

It is a serious decision that cannot be taken lightly. The company you choose can help determine not only how fast you will get out of debt but also how smooth the process will be for you. A good debt company will provide you with clear answers when you need them and reduce much of the stress that goes along with living with debt.

BE CAREFUL CHOOSING YOUR DEBT SOLUTION PROVIDER

All that one really needs to start a business providing debt help services is a phone room to sign people up and an outsourced provider who manages the consumer's monthly debt payments behind the scenes once they are enrolled in the program. We believe those are the types of companies to avoid.

As a result of bad companies and consumer complaints against some in the industry, the FTC passed strict new laws in the past few years. You want to be sure any company you consider is fully compliant with all the FTC laws and regulations.

However, do not despair; there are many great companies who do provide honest and reliable debt relief solutions to thousands of clients every year. Whether they provide debt settlement solutions or debt management solutions, they truly can help people who find themselves in a financial bind with seemingly no way out.

QUESTIONS TO ASK

In choosing a reliable debt relief company, you first need to understand what debt relief options are available to you. Your choices largely depend on the type of debt that you have and the amount you owe (keep reading to learn more).

Once you have reviewed your choices and you understand the options available to you, you need to evaluate the companies closely. Unfortunately the debt relief industry is largely under-regulated in many states so you must be aware of the right questions to ask.

1. How long have they been in business?
2. How many clients do they have?
3. How is customer service handled?
4. Is all the debt reduction work done in-house or do they use 3rd party companies?
5. When you make your 1 monthly payment, who holds and manages your money?
6. Do they have access to lawyers in those rare cases where it may be needed?
7. Do you have a dedicated account representative?
8. What percentage of their clients complete the program?

These are some important questions to ask. You must understand that becoming debt free is a process and that the company you choose must be right for you. You need to be comfortable with their answers and realize that your decision will be one that you will make for the long term.

So while it is confusing because there are no household brand name companies in the debt relief industry, good, honest, and reliable help is out there.

3 Primary Types of Solutions for Unsecured Debt Relief

So what are the primary debt relief options we can use get out of credit card debt assuming we don't have a rich relative willing to pay our bills for us or some sort of asset (like a home without a low loan balance) to put up as collateral for a loan? Here are the 3 most common debt relief solutions:

BANKRUPTCY

This used to be painful and quick but now the new bankruptcy laws have made it painful and slow thereby greatly reducing its appeal for many people. The new bankruptcy laws require you to jump through more hoops which slow down the process including an extensive period of court approved credit counseling.

There are 2 common types of bankruptcy, chapter 7 and chapter 11. The new bankruptcy laws (actually several years old now) make the common practice of filing chapter 7 bankruptcy much more difficult. Prior to the new laws, for most people who asked "Can I file bankruptcy?" the answer was a resounding "yes, no problem, file a chapter 7". Chapter 7 bankruptcy allowed you to basically wipe out your debts and start with a clean slate without too much hassle provided that:

1. You had few assets or you were willing to sell much of what you had in order to pay back as much debt as possible (including your home and cars)
2. You were ok with the fact that bankruptcy would destroy your credit score which means a long (very long) process of rebuilding your credit (no home or auto loans for a long time without huge interest rates)

For many people, this was a good solution because it was relatively fast and easy way to unload your debts, especially if you did not own a home.

Now the new laws force most people into chapter 13 bankruptcy, which is more like a debt management program that allows you to keep you home and cars assuming you can make those payments but it puts you on a strict budget forcing you to repay your debts in up to a 5 year court ordered program.

Each state has minimum income requirements that, if you exceed and you have at least \$100 in discretionary monthly income (extra spending money after your essential bills are paid), will result in the court system forcing you into the chapter 13 vs. a chapter 7. The requirements in your state will be the key determinant in helping you answer the question “can I file for bankruptcy?” or if you’d be better off with a bankruptcy alternative.

In other words, you need to prove that you are struggling financially to the point where your income does not even cover your essential weekly bills in order to qualify for the faster chapter 7 bankruptcy option. As a result, many people are turning to debt settlement companies to lower their payments through a debt negotiation process.

The days of having lots of debt one day and then using chapter 7 bankruptcy to wipe them out the next, is not nearly as easy as it used to be

DEBT SETTLEMENT

This solution is the bankruptcy alternative that many people use to reduce the overall amount of debt they owe without the stigma associated with a bankruptcy filing. Debt settlement is a legal process whereby you or a company you hire negotiates with your creditors to get them to accept less than you actually owe. This “settlement” is legally binding and once you pay the negotiated amount your account is considered paid in full with no further penalties. The downside is the damage it can do to your credit score since you will likely need time to save up the new amount agreed upon.

To someone who does not understand the debt settlement business and how it works, it can seem puzzling that you can reduce and eliminate your debt without filing for bankruptcy. To many people who are in serious need of debt help, it sounds too good to be true that credit negotiation services can get rid of debt but millions of people successfully settle their unsecured debts this way.

Adding to the confusion is the fact that the debt settlement industry generally operates below the radar of most people simply because it is relatively small and fragmented (not to mention the influence of the big and powerful credit card companies whose armies of lawyers intend to keep it that way).

If you are really struggling with your unsecured debts like credit cards and want to avoid bankruptcy, it is a viable option that should be investigated by you.

How does it work?

1. You get a free consultation from a reliable debt settlement company
2. They will discuss your financial situation with you to determine if you are a good candidate
3. They will present you with a reduced monthly payment plan to get you debt free typically within 18-36 months
4. You'll make 1 monthly payment into a 3rd party trust account that you control but your debt settlement company will set up for you
5. Once you have paid a decent sum of money into that account, they will start the negotiations with your creditors one at a time
6. Your creditors often agree to accept a percentage of your outstanding debt and forgive the balance
7. Your creditors are paid off one by one until you are debt free!

Why does it work?

Put yourself in your creditor's shoes for a moment. If someone owed you money but was unable to pay it back, you are likely going to be willing to take something over nothing. If that person said they have half the money right now which they are willing give to you in a lump sum immediately in exchange for releasing them from the obligation of having to pay off the remaining balance owed, you'd likely say yes.

This is exactly what happens. The monthly payment you make into the trust account builds up and, therefore is not going to your creditors. Since your creditors are not getting paid, once it builds up enough to offer them a nice lump sum, the debt settlement service you hire will begin the discussions and offer them whatever amount you have in the trust account.

There are many legal details involved and some risks as well so it is essential that you use a large established debt settlement company who has the creditor relationships already in place.

Credit Counseling

These companies will help you reduce your penalties and late fees but not your principle balance. They consolidate your debts into 1 monthly payment, put you on a budget, and then allocate the proper amount to each of your creditors monthly. Creditors take heart knowing that a credit counselor is helping you pay off the debt and so they typically reduce the monthly fees that can build up so fast making your situation even worse. Credit counseling companies can help you manage your money better and they typically provide lots of free financial education as part of their solution.

Credit Counseling vs. Debt Settlement

The key difference is that with debt settlement your debts are negotiated lower so you will not repay everything whereas with credit counseling you will. It really depends on your financial situation and the comfort level you have with each option after weighing the pros and cons of each solution.

So....Those are the 3 most common options for unsecured debt relief. The company we have profiled for you at the beginning of this report is one we suggest you speak with as we believe them through our extensive research and personal meetings believe to be reputable.

Even if they are not right for you, they will provide you with helpful information that will guide you in the right direction as you make a decision as to what's the best solution for you. The more you know, the better off you'll be. We hope this report has helped you.

