

# Debt Resolution Objection Guide

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Version 1

## Debt Resolution Overview

Location in Script	Introduction (Initial Call)
High Level Overview	Freedom Debt Relief provides personal finance solutions, including debt resolution, that helps everyday people move forward on the path to a better financial future. They partner with you to help you solve your immediate financial problems and improve your financial outlook, in a way that's right for you.
Overview	We'll discuss your goals and review your unique situation to find the debt solution that works for you. Then, we'll develop a personalized plan that fits your life today and helps you get to where you want to be tomorrow.
Value	<p>Helps prospects understand their options:</p> <ul style="list-style-type: none"> <li>• Do It Yourself</li> <li>• Personal Loan</li> <li>• CCCS - Credit Counseling</li> <li>• Debt Resolution</li> <li>• Bankruptcy</li> </ul>
What NOT to Say	<ul style="list-style-type: none"> <li>• Debt settlement/resolution is your only option</li> <li>• "Best" option</li> </ul>

3 Benefits		
Low Monthly Deposit	Reduce What You Owe	Resolve Your Debt Quickly
<i>Make one low monthly program deposit.</i>	<i>Reduce what you owe.</i>	<i>Resolve your debt in a little as 24-48 months.</i>
<p>One monthly program deposit will cover all the debts you enroll - so no more juggling bills every month.</p> <p>Your program deposit of \$ <u>XX</u> will cover all estimated settlement amounts, settlement fees, and bank service fees. FDR does not collect any settlement fees until your account(s) is settled.</p> <p>When designing your program, their goal is to make your deposit amount less than the total cost of your minimum payments. So you could free up some extra cash each month.</p>	<p>They'll work to reduce the amount you owe your creditors, so the total cost of your program will only be an estimated \$ <u>XX</u>. If you tried to pay off your debt with minimum payments instead, the total cost of that with interest would be \$ <u>XX</u>. So that's \$ <u>XX</u> less you'll be paying in this program.</p>	<p>The debts you enroll should be resolved in an estimated <u>XX</u> months. Compare that to the <u>XX</u> years it would take the pay down this debt by making minimum payments.</p> <p>If you're able to increase your program deposit (now or in the future) it could enable FDR to negotiate with your creditors sooner and help accelerate the timing of your settlements.</p>
Consult the prospect's file to determine their individual program deposit, savings, and length estimates.		

## Program Guarantee

Location in Script	Introduction (Initial Call)
High Level Overview	The goal is to have you pay less than what you owe on your enrolled debt that's settled through their program. If your total program settlement cost is more than the total amount of debt you enroll in their program, they'll refund you the difference from their collected fees, up to 100%.*
Overview	<p><b>What's the "program settlement cost"?</b></p> <p>The program settlement cost is the total amount you pay your creditors through the Freedom Debt Relief program plus their fees for negotiating your debt. Your program settlement cost doesn't include other costs, such as fees for managing your Dedicated Account or taxes you might incur.</p> <p>*Keep in mind:</p> <ul style="list-style-type: none"> <li>• This guarantee takes effect when you graduate the program or even if you leave before graduating. When you exit the program, they'll use your combined total of all of the debts you enrolled and settled, and the fees you paid to FDR to calculate your eligibility for a refund.</li> <li>• This guarantee covers all accounts you enroll, as long as you don't withdraw the account, take advances on the account, or add more debt to the account.</li> <li>• This is not a savings guarantee, but a promise that they'll refund up to 100% of their collected fees if your total program costs exceed the enrolled debt amount.</li> </ul>
What NOT to Say	Guarantees on anything else

## How Your Dedicated Account Works for You

Location in the Script	<p>Program Overview (Initial Call)</p> <p>Program Summary Call Recording (Program Summary Call)</p>
High Level Overview	<p>You will make monthly deposits into a Dedicated Account that you own and control. The deposits you make into this account will provide the funds needed for them to negotiate with your creditors and pay off settlements.</p>
Overview	<p>This is an FDIC-insured bank account that does not earn interest.</p> <p>Freedom Debt Relief doesn't manage this account. It's with [Finxera or other], and they do collect a monthly fee for maintaining your account that is already calculated into your program deposit. You have access to this account through your Member Dashboard, or their Member Services Team can help manage your account if needed.</p> <p>If you don't stick to your deposit schedule, it delays their ability to negotiate, can cause missed payments on existing settlements, and can extend the length of the program. If you ever need to modify your deposit, contact Member Services to understand how it will impact your program.</p>
Value Prop	<ul style="list-style-type: none"> <li>• You own and control this account at all times</li> <li>• The most important thing you can do is make your scheduled deposits (in full and on time) into this account.</li> <li>• Deposit modification and withdrawals can impact your settlements and graduation path.</li> </ul>
What NOT to Say	<ul style="list-style-type: none"> <li>• Savings/Checking account</li> <li>• Escrow account</li> </ul>

Negotiation Process	
Location in the Script	<p>Program Overview (Initial Call)</p> <p>Program Summary Call Recording (Program Summary Call)</p>
High Level Overview	<p>FDR works with your creditor or a 3rd party agency to negotiate your debt down.</p> <p>Letting your accounts go past due gives their team the opportunity to negotiate settlements with your creditors. When there's enough money in your Dedicated Account, they negotiate with your creditors to settle your debts for less than you owe.</p>
Overview	<p>Negotiating with your creditors on your own can be challenging as you have to figure out who to contact, what settlement amount to offer, and when to offer it. Plus you may have to deal with creditors who pursue legal action, which can be quite difficult to handle on your own.</p> <p>With Freedom Debt Relief, their expert team of negotiators;</p> <ul style="list-style-type: none"> <li>• Settle with the right creditors at the right time to get the best possible settlements</li> <li>• Use their negotiating expertise to reduce the amount you owe</li> <li>• Handle litigious settlements with the support of the <a href="#">Legal Partner Network</a></li> </ul>
Value Prop	<ul style="list-style-type: none"> <li>• Their years of experience &amp; relationships with thousands of creditors to get the best possible settlements</li> <li>• Their goal is to allow you to settle your debt for less than the full amount</li> <li>• Sometimes creditors use law firms to go through the collection process, however FDR includes in the program the support of the <a href="#">Legal Partner Network</a></li> </ul>
What NOT to Say	<ul style="list-style-type: none"> <li>• They negotiate with your creditors right away</li> <li>• They take care of all of these creditors for you</li> <li>• They call your creditors and let them know you're enrolled in the program</li> </ul>

Settlement Timing	
Location in Script	Program Summary Call Recording (Program Summary Call)
High Level Overview	<p>They create a customized settlement roadmap based on your unique creditor mix, the type of debt, the amount of debt, the delinquency of the debt, the creditors willingness to negotiate, and the amount of your program deposit.</p> <p>Your debts don't get settled all at once and some will take longer than others. You can track the status of each of the accounts on your Member Dashboard.</p>
Overview	<p>When a settlement has been negotiated, they'll contact you for authorization. Only after you authorize the settlement and a payment has been made to the creditor will they process their fee for negotiating that debt - and that debt only.</p> <p>They don't always settle the lowest balance first because it might not be the right strategy to get you the most savings. The order and timing of settlements can change along the way too, especially if you change your deposit schedule or if they get a special offer from a creditor to settle at a certain time.</p> <p>They've planned your program to settle all of your enrolled debts by your estimated graduation date, regardless of the time between settlements. As long as you stick with your program deposits, they'll handle the rest.</p>
Value Prop	<ul style="list-style-type: none"> <li>• Members control part of the process as they require their authorization of settlements</li> <li>• They don't charge their settlement fee until the member sees results</li> <li>• Adding additional deposits may help get settlements sooner and graduate earlier</li> <li>• Always watch for settlement offers and approve them right away to keep settlements moving forward and the program on track</li> <li>• Declining or ignoring a settlement offer can make your program take longer, and they might not get as good of a deal the second time around.</li> </ul>
What NOT to Say	<ul style="list-style-type: none"> <li>• They don't charge a dime until you see results (banking fees still apply)</li> </ul>

## What to Expect in the First 90 Days

Location in the Script	Program Deposit/Fees (Program Summary Call)
High Level Overview	Explain to the prospect what they can expect during the first 90 days of the program
Overview	<p>More than half their members get their first settlement within 90 days of the first program deposit. You must stick to your deposit schedule to stay on track for settlements. Program deposits provide the funds for them to negotiate settlements with your creditors.</p> <p>Watch your texts, emails, and dashboard for settlement updates. On your dashboard, you can see which debts they're actively working on, and which are not ready to be settled.</p> <p>Keep in mind, *Freedom Debt Relief is not a credit repair organization and does not provide or offer services or advice to repair, modify, or improve your credit.</p> <p>Voluntarily stopping payment on all your enrolled debts lets your creditors know that you're facing financial challenges. As a result, creditors will call you to try to collect on the debt, and you can expect an impact to your credit. However, as each account is resolved and paid, the creditor should report that to the creditor rating agencies which should help improve your debt to income ratio.</p>
Value Prop	<ul style="list-style-type: none"> <li>• Prepare for credit impact</li> <li>• Prepare for creditor calls</li> <li>• Keep the member focused on their goal - not to get distracted by the initial challenges</li> </ul>
What NOT to Say	<ul style="list-style-type: none"> <li>• All your creditors will be settled within 90 days</li> <li>• They will contact all of your creditors when you enroll</li> <li>• They pay your creditors right away</li> </ul>



## Credit Impact

High Level Overview	Your prospect needs to know their credit may already be affected and may not be as healthy as it could be right now. As you speak to financial distress, help your prospect understand their credit score is much more than their payment history. Always be sure to acknowledge and validate their objection/concern.
Overview	<p>Use these insights:</p> <ul style="list-style-type: none"> <li>You are going to disclose to the prospect that choosing to stop payments and letting their debts go past due shows their creditors that they're experiencing a hardship. This usually makes their creditors more willing to negotiate.</li> <li>Let them know their <b><u>credit may be the reason</u></b> this option may be a better fit for them. If the consumer cannot afford to put their credit on the back burner (not permanently), a different solution may be better.</li> <li>If necessary, revisit the financial distress that you discovered during the credit analysis, to reaffirm that their credit is already affected.</li> </ul> <p>Signs of Financial Distress to Look For:</p> <ul style="list-style-type: none"> <li>Past Due Accounts</li> <li>Maxed, or Near-Maxed accounts</li> <li>Newly Opened Accounts (within past year)</li> <li>High Interest Rate Loans, Too Many Inquiries, Bankruptcy</li> </ul>
"How does this program affect my credit?"	<p>Great question, <b>(Verbatim)</b> *Freedom Debt Relief is not a Credit Repair Organization and does not provide, or offer, services or advice to repair, modify, or improve credit. Credit is important to a lot of people, and for good reason, since they rely on it for big purchases like a house or a car. When you enter the Freedom Debt Relief program, their goal is to settle your debt for less than you owe and reduce your debt burden. They do this by negotiating with your creditors to get them to accept less than you owe. Letting your debts go past due shows your creditors that you're going through tough times and can't afford your monthly payments. This is what makes your creditors willing to negotiate. When your debts go past due, it will likely cause your credit score to decrease.</p> <p><b>[If Accounts are Current]</b></p> <p>But there is more to your credit health than just a good credit score. Lenders look at other things, including your debt-to-income ratio or DTI, which is the percentage of recurring monthly debt payments you owe against your gross monthly income. The higher your DTI, the more risky you look to a lender. So, even though you're keeping up with your payments, if you're spending a large chunk of your paycheck just to keep up with your minimum payments, your credit</p>

## Credit Impact

health may not be as strong as you think - no matter what your credit is.

### **[If Accounts are Not Current]**

You're behind on payments right now, so your credit is already being impacted. Generally, the credit impact is the same whether you fall behind on your own or enroll in our program.

So yes, enrolling in their program could impact your credit score for a period of time.

The program may also help set you up for a much better financial future. Instead of struggling to pay down this debt little by little, which could take many years, their goal is to help you get rid of your debt as fast as possible by negotiating with your creditors.

So, if you truly want to solve your debt crisis, ask yourself - isn't it worth taking 1 step back to take 2 steps forward?

If the prospect is still hesitant:

**Stopping Payments:** As each debt is resolved, your debt-to-income ratio should improve. This ratio compares how much you owe each month to how much you earn, and it's an important part of your financial health. By the time you finish the program, your enrolled debt should be gone and you should be in a much better place financially. \*

**Zero Balances:** As each of your debts are resolved, creditors **should** report to the credit bureaus that the account has been settled and the balance is now zero. \*

Looking at your credit report, it appears you are already being negatively impacted by your debt. By taking steps to tackle your debt through the debt resolution program, many of your financial goals should become easier to reach.

**FICO Recovery:** Keep in mind, the credit impact is not permanent.

And, once you finish the program, your debt burden should be reduced and your debt-to-income ratio (DTI) may be lower. So, by resolving your debts, you'll be in a much stronger position to improve your credit and your overall financial health. \*

## Creditor Phone Calls

High Level Overview	<p>It's normal for their members to receive calls from creditors, and that can sound scary. However, less is more! If you do happen to answer a creditor call, you do not have to answer every question a creditor asks. Your client dashboard has some great talking points to use if you happen to speak with a creditor! You may get calls from debt collectors if your creditor has sold the account to a debt collection agency, simply handle these calls the same way.</p>
Overview	<p>Keep the conversation short and simply tell them:</p> <ul style="list-style-type: none"> <li>• You're experiencing a hardship</li> <li>• You can't pay at this time, but you intend to pay when you can (don't specify when)</li> <li>• Don't negotiate with them - their experts will handle that for you!</li> </ul>
What to Say	<ul style="list-style-type: none"> <li>• I have a hardship but intend to pay as soon as I can</li> <li>• Your calls are causing me extreme stress</li> <li>• Don't call me at work</li> <li>• Update your records to note that I want to pay, just can't pay right now</li> <li>• I'm planning on making sure you get paid. Put that in your notes.</li> </ul>
What NOT to Say	<p>Don't give too much information!</p> <ul style="list-style-type: none"> <li>• Never give them any of your financial or banking information</li> <li>• Don't give them information about your income</li> </ul> <p>You should never say anything to a creditor that could make them think you are refusing to pay:</p> <ul style="list-style-type: none"> <li>• Don't say you refuse to pay them</li> <li>• Don't say when you'll pay them</li> <li>• Don't tell them to stop calling you</li> </ul>

## Tax Implications

Location in Script	Program Summary Call Recording (Program Summary Call)
Detail	When your creditor agrees to accept a reduced amount on your debt, they may write off the forgiven portion as a loss for tax purposes. That means the forgiven portion could be considered income for you. As a result, the creditor may issue you a 1099-C form. If they do, you could be required to pay taxes on the forgiven debt amount.
Recommendation	<p>If you ever receive a 1099-C, you may want to consult with a tax professional. They can discuss whether or not you were insolvent at the time the debt was resolved. If you were, you may not need to pay taxes on the forgiven debt amount.</p> <p>Your client dashboard also includes the above information in addition to helpful videos you can watch which explains this as well!</p>
What NOT to Say	<ul style="list-style-type: none"> <li>• None of my clients have ever received a 1099-C from their creditors and it's unlikely you'll receive one, as well.</li> <li>• You will not have to claim these as taxes</li> </ul>

## Legal Partner Network

Location in Script	Program Summary Call Recording (Program Summary Call)
High Level Overview	FDR understands that creditors may attempt to collect on your debts by taking legal action. They are not lawyers or licensed to practice law.
Overview	<p>That's why they've partnered with a network of attorneys, the Legal Partner Network, that specialize in debt negotiation. If any of your enrolled creditors files a lawsuit against you, FDR may engage a Legal Partner Network attorney who will attempt to negotiate a settlement with the opposing law firm.</p> <p>The focus of the attorney is to try to get your creditor to settle the lawsuit and resolve the debt.</p> <p>The cost of the Legal Partner Network is included in your program and will be available to you as long as you make all your deposits on time and in the full amount. FDR doesn't charge any additional fees for this service, but you will be responsible for court fees and related costs.</p> <p>For an attorney to attempt to negotiate a settlement, there must be sufficient funds in your Dedicated Account - another reason why it's important to make all your program deposits on time and in full.</p>
Value Prop	<ul style="list-style-type: none"> <li>• They want to make sure if any of your enrolled accounts go into litigation, the debt can still be negotiated</li> <li>• This network of attorneys that they've partnered with specialize in resolving debt litigation cases</li> <li>• The cost of the LPN service is included in your program deposit and will be available to you as long as you make all your deposits on time and in the full amount</li> </ul>
What NOT to Say	<ul style="list-style-type: none"> <li>• Guarantees about LPN engagement and/or services provided by an LPN attorney</li> <li>• Attorneys will represent you in court</li> <li>• Attorneys in LPN are affiliated with Freedom Debt Relief</li> <li>• Attorneys are "experts"</li> </ul>

## Industry Scam

The industry is unregulated...	The debt resolution industry is highly regulated by the US Federal Trade Commission, and in 2010, the FTC strengthened its regulation through revisions to the Telemarketing Sales Rules (TSR).
How do I know you're working in my best interest...	FDR is required to adhere to all Federal Trade Commission consumer protection guidelines, which 1) Prohibit upfront fees; 2) Requires us to disclose fundamental aspects of our services, including how long it will take to get results and how much it will cost; and 3) Prevents us from misrepresenting any of our services.
I cannot back out/cancel....	This program is completely voluntary, members can withdraw from their engagement with them because FDR never has custody of your funds. They only have access to necessary information to work with creditors to design affordable settlements. You have the right to reject or withdraw from these agreements at any time, for any reason.
Just a scam, will not help me....	<p>FDR provides considerable benefits to consumers relatively quickly. Members generally see initial account settlement within the first 90 days of starting their program.</p> <p>Additionally, their company is a founding member of the AADR (formally the American Fair Credit Council), a leading association of consumer credit advocates. They're an accredited member of the AADR, and their business is operated according to the laws and regulations governing the debt resolutions industry.</p>

## Delay - Second Party Approval

High Level Overview	<p>Authority based objections happen when a prospect doesn't feel confident making an on the spot decision, this is a stalling tactic. Ask more questions, so you can be sure that the prospect REALLY needs to speak with their spouse, or if there's some other concern they aren't discussing with you.</p>
Ask Questions	<ul style="list-style-type: none"> <li>What questions do you think your spouse will have about the program?</li> <li>What additional information do you need before making a choice?</li> <li>What concerns do you think your spouse/partner might have, if any?</li> </ul>
Offer to Conference Call	<p>Is the other party currently available? While I have you on the phone now, with all the necessary information, I can review the program details with them as well. That way if they have any questions, I'll be here to respond. Also, if you two need a few minutes to discuss in private after our discussion, I'd be happy to call you back in a few minutes (or however much time they need).</p>
Set Up A Joint Appointment	<p>I absolutely understand. Could we set up a call with them when they are available?</p>

Moral Obligation	
High Level Overview	<p>"I feel morally obligated to pay back the money I borrowed"</p> <p>Prospects may not be thinking about the compounding interest on their credit cards that they've paid for over a decade when they say this, which is understandable and OK.</p>
Overview	<p>Members that enroll in their program often realize their true moral obligation: Keeping their family financially safe and protected before anything else; doing their best to get some portion of their debt repaid through an effective resolution process.</p> <p>When enrolled in their program, their team of negotiators work together with creditors until both parties agree to an amount. Their members get to fulfill their obligation to their creditors AND keep their family financially safe.</p>
Value Prop	<ul style="list-style-type: none"> <li>• If we look at the numbers of your debts again, you've been paying at least \$XX each month for XX months now. If we add up all these payments, I'm guessing the creditors have already received what you've borrowed (and possibly twice/thrice as much!).</li> <li>• If you keep doing what you've been doing, what do you think will happen to your balances owed?</li> <li>• What's happening to your potential savings in that case?</li> <li>• Have the creditors been paid the amount you borrowed still?</li> </ul>



## Competitor Rebuttals

Offered a Lower Program Payment	FDR has been in business since 2002 and has resolved over \$XX billion in debt with thousands of creditors - much longer than their competitors. Your program estimates are based on actual settlement data FDR has compiled throughout almost 2 decades of working with these creditors. They use this data to create your personalized program plan, program payment amount and length, and they will clearly disclose all the fees that are calculated into your program cost. Other companies may spend a lot of time talking about how low their monthly cost will be, but won't get specific about how that cost is calculated. Or, they'll quote a very low monthly cost without clarifying that such a low cost could extend the program several months or even years. They offer a program that is customizable, so we can adjust the length of your program and the amount of your program payment so that it works with your budget and goals.
Was Offered Lower Fees	<p>The fees are based on the amount of debt you have at enrollment and will never increase. There are no upfront settlement fees and they don't get paid until they get you a settlement, you approve it, and a payment has been made to the creditor - and then they take their fee for that debt only. All of their fees are already calculated into your program payment amount and estimated savings. Another company may refuse to quote an exact fee or guarantee that a fee will never increase.</p> <p>They've served over XX members since 2002, working with thousands of creditors to resolve more than \$XX billion in debt. As the largest debt resolution company in the U.S., they are committed to providing excellent service to their members while they help them resolve their debt.</p>
Was Offered to Leave Out More Debt	<p>First off, their goal is to help you resolve as much of your unsecured debt as possible so that when you complete the program, most of your debt burden is off your shoulders. Another reason why they encourage you to enroll most of your debts is because some creditors may not understand that you are experiencing financial distress if you have other debts you are still paying on. So they may be unwilling to negotiate down your debt. This is why they encourage you to enroll most of your debt.</p> <p><b>If the prospect still has pushback:</b></p> <p>However, they do understand there are times when a credit card may be convenient, so if you need to keep one credit card out of the program, they can do that.</p>
Need for	By asking for your statements upfront, they can provide you with a more comprehensive and accurate program

Statements	estimate. They want to be transparent and give you the best possible estimates of how much you could save and how soon you could resolve your debt with their program.
Offered Shorter Program Length	These estimates are based on actual settlement data FDR has compiled over 2 decades of working with these creditors. They use this data to create your personalized program plan and your program payment amount and length. Other companies may spend a lot of time talking about how short their program is, but they may not clarify just how high your program payment amount has to be in order to complete their program so quickly. They offer a program that is customizable, so they can adjust the length of your program and the amount of your program payment so that it works with your budget and goals.
What makes FDR different?	Freedom Debt Relief is a member-centric company with a proven track record of over 20 years. they're the largest debt resolution in the country, and they have purposefully built from the ground up to focus solely on solving their members' debt problems, unlike many of their competitors. This dedicated approach allows FDR to better understand their members and solve their unique challenges. Their competitors may view their services as one-and-done transactions, but they view their relationships with members as a long-term commitment. FDR is here to support you throughout your financial journey, offering ongoing guidance and solutions. FDR has a whole suite of solutions that they can customize around you, based on your needs at that exact moment. Life changes happen, and they'll be able to meet you where you are, so they can help you meet your goals.

## Historical Approval & Version Log:

Ver #	Prepared By	Description	Line of Business Approval & Date	Compliance/ Legal Approval & Date	Published Date	Effective Date
1	Allison Saumier	Initial Submission for formal approval	Ben Whitlatch / Sr. Manager Wholesale Accounts / 11-26-2024	Keghan Spoonemore / Compliance and Risk Analyst / 2/27/2025	2/27/2025	2/27/2025