



FDR/AR Sales

New Hire Training

Participant Guide

October 2023 Version 33

 achieve

Core Values

Care (for everyone)

We show compassion and contribute to the well-being and growth of those around us.

We only pursue products that improve the financial lives of our clients.

Get Better (every day)

We innovate, iterate, and improve each day.

We are creative, take thoughtful risks, and ultimately learn and recover from failures.

Act With Integrity (every time)

We take the right action even when it is hard and even when no one is watching.

We treat our employees, clients, and communities the way they wish to be treated.

Collaborate (with everybody)

We strive to work together toward a common purpose by proactively sharing information and inviting participation.

We recognize that perspective of various groups and embrace healthy, constructive debate.

Our core values define who we are and how we behave every day - with each other, and with our members. We embrace and champion these values.

AR Sales Wholesale Training

Table of Contents

Table of Contents.....	3
Course Objectives.....	7
Section 1: Introduction and Overview.....	10
Company History.....	10
Company Structure.....	11
Achieve's Companies.....	12
Achieve Leadership.....	13
The Wholesale Team.....	15
Section 2: Systems Log-In Information.....	16
Section 3: Consumer Debt Relief Options.....	17
Minimum payments.....	18
Consolidation Loan.....	20
Consumer Credit Counseling (CCC).....	23
Debt Resolution.....	25
Bankruptcy.....	28
Knowledge Check – Section 3.....	31
Section 4: Debt Resolution Regulators.....	32
American Association for Debt Resolution (AADR).....	32
Fair Debt Collection Practices Act (FDCPA).....	34
Telemarketing Sales Rule (TSR).....	36
Upfront Fees.....	37
Disclosure.....	37
Misrepresentation.....	38
Inappropriate Behavior.....	39
TSR Resources.....	39
Knowledge Check – Section 4.....	40
Section 5: Our Debt Resolution Program.....	42
Key Components.....	42

AR Sales Wholesale Training

Debt Resolution Program.....	43
Three Benefits of Our Program (ROR).....	44
Our Program Guarantee.....	44
The Client Journey.....	45
Program Fees.....	45
Dedicated Accounts.....	46
California 1405 (CA 1405).....	47
Knowledge Check – Section 5.....	48
Section 6: Financial Fundamentals for Sales - Part 1 & 2.....	49
Knowledge Check: Part 1.....	50
Knowledge Check: Part 2.....	52
Section 7: Hardships.....	54
Our Members.....	54
Life Events.....	54
Qualifying Hardships.....	55
Job Loss.....	55
Income Change/Loss.....	55
Medical Bills/Illness.....	56
Divorce.....	56
Death.....	57
Natural Disaster and Pandemic.....	57
Hardship Statements.....	58
Section 8: Credit Reports and Financial Distress.....	59
Credit Reports.....	59
Viewing Prospects' Credit Reports.....	60
Accounts Types.....	62
Payment History/Delinquency Counter.....	65
25 Month Payment History Codes:.....	65
Credit Scores.....	66
Five Components of a Credit Score.....	67

AR Sales Wholesale Training

Recognizing Financial Distress.....	68
Key Components of Financial Distress.....	69
The Truth Shall Set You Free.....	75
Knowledge Check – Section 7.....	76
Section 9: Soft Skills and Sales Techniques.....	77
Discovery.....	77
Benefits of Discovery.....	78
Sales Techniques.....	80
Section 10: The Initial Call.....	82
Member Experience.....	82
Our goals for every call:.....	82
What we need to convey to attain our goal.....	83
Discovery and the Initial Call.....	84
Quality Assurance.....	85
Knowledge Check – Section 9.....	86
Section 11: Program Objections.....	88
Four Steps to Overcoming Objections.....	88
Most Common Objections.....	89
Credit Impact.....	89
Creditor Phone Calls.....	90
Tax Implications.....	91
Legal Implications.....	92
Industry Scam.....	93
Delay – Spouse Approval.....	94
Moral Obligation.....	97
Knowledge Check – Section 10.....	98
Section 12: The Program Summary Call.....	99
Overview.....	99
Legal Partner Network.....	100
Right of Offset and Cross Collateralization.....	101

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Quality Assurance.....	102
Knowledge Check – Section 11.....	103
Section 13: Enrollment Agreement.....	105

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Course Objectives

At the end of this course, you will be able to:

- Summarize important components of the debt resolutions industry.
- Identify different stages of the client journey.
- Demonstrate how to use sales and service tools pertinent to the debt consultant role.
- Examine credit scores while identifying signs of financial distress.
- Recognize various financial hardships and construct valid hardship statements.
- Explain the five debt options available to consumers.
- Overcome common program objections.
- Practice our sales process.
- Recite approved sales scripts.



Applying these concepts and skills will enable you to:

- Help consumers determine the best solution to resolve their debt.
- Build an environment of trust with the members you enroll.
- Develop in your role and career.

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Welcome!

First and foremost, welcome to Achieve Resolution Sales! We know there are a lot of choices out there for you and we are thrilled that you chose us! Over the next few days, you will be introduced to our program, sales process, tools, and resources to make you successful in your role as a Certified Debt Consultant. New Hire training consists of discussions, activities, hands-on practice, role plays and CBT courses (computer based training).



In this Participant Guide, you will have the ability to capture your thoughts, take notes from activities and discussions, and learn about the various training topics that will be introduced to you during your onboarding experience. The main purpose of this guide is to provide you with knowledge and activities that will assist you in the learning process. There is a course agenda that you and your trainer will be following each day. Please keep in mind that each day may have times where training material needs to be modified and adjusted, causing material to move from one day to the next. Don't fret! We will get all of the material delivered to you so that you can perform successfully!



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Course Assessment

We strive to assess our debt consultants holistically. There are two phases of training where your knowledge and performance may be assessed: Instructor Led Training (virtual or in person) and Training Bay. During the Instructor Led Training phase, assessment scores are given based on the Final Exam. The Final Exam is an openbook, multiple-choice test. The content of the test comes from material taught during the Instructor Led Training phase. Training Bay will assess your performance and determine your readiness for a permanent team.



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Section 1: Introduction and Overview

Company History

Achieve Resolution, a consumer debt resolution company, was founded in December 2002 and is headquartered in San Mateo, California. The founders (Andrew Housser & Bradford Stroh) first joined forces while at Stanford Business School and have built an exceptional team of experienced senior executives. Recognizing the overwhelming burden that personal debt has placed on many Americans, our senior management team has leveraged their decades of financial advisory experience to create a truly unique company with a unique solution, and a clear vision to help consumers find debt relief and achieve financial freedom.



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Company Structure



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Achieve's Companies

Achieve Resolution	Founded in 2002, Achieve Resolution is the company that started Freedom Financial Network. Our co-founders and CEOs, Bradford Stroh and Andrew Houser, established our company with one goal: to provide an affordable debt solution for people who are struggling with heavy debt. To do this, we negotiate with creditors and get them to accept less than our clients owe. The process, also known as debt negotiation, debt settlement or debt resolution, could help clients resolve debt for less and become debt free faster than they thought possible.
Achieve Personal Loans	Established in 2014 by Freedom Financial Network co-founder Andrew Housser, Achieve Personal Loans customizes personal loans for consumers looking to pay off debt and save on interest. As part of FFN, Achieve Personal Loans is dedicated to providing people with a smarter solution for their debt so that they can live better financial lives. We offer interest rate discounts and customize loan terms to fit their budget and goals, and provide friendly customer support throughout the life of their loan.
Bills.com	Founded in 2007 with the purpose of demystifying personal finance, Bills.com continues to be a valuable resource for consumers in need of financial help. With in-depth information and expert advice about dealing with debt, getting the best mortgage, and other major topics in personal finance, our website helps enrich consumers' financial lives. A proud member of FFN, Bills.com is dedicated to serving consumers in debt, helping them review their financial options, and giving them the tools to find the best solution for their situation.
Consolidation Plus	Established in 2011, Consolidation Plus arranges invitation-only loans for borrowers currently enrolled in select debt resolution programs. Using our loan, borrowers could end their debt resolution program early, consolidate their enrolled debt, and pay it off faster. As a member of FFN, C+ is committed to helping people overcome debt and start achieving their financial goals.
Achieve Home Loans	Founded in 2019, Achieve Home Loans is the latest addition to FFN. Our goal is to help homeowners use the value in their home to pay off high-interest debt. To do this, we offer a custom Home Equity Line of Credit (HELOC) that allows homeowners to consolidate their debt, reduce monthly payments, and save on interest.

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Achieve Leadership

We believe the most important part of any company is the people who represent it.

Andrew Housser - Founder & CEO



Andrew co-founded Freedom Financial Network in 2002 and Bills.com in 2005. Bills.com and FFN have been recognized by the Inc. 500 list, Entrepreneur Magazine's Hot 100, and been named multiple times to the list of Best Places to Work in Silicon Valley and Phoenix. Previously, Andrew worked in the financial services industry, doing private equity investing with Littlejohn & Co., a \$550 million private equity fund, and working in investment banking for Salomon Smith Barney. Andrew, together with co-founder Brad Stroh, is a past winner of the Ernst & Young Entrepreneur of the Year Award for Northern California. Andrew sits on the board of directors of several startup companies as well as two independent school boards. Andrew received his MBA from Stanford Business School, where he was an Arjay Miller Scholar and received a BA summa cum laude from Dartmouth College, where he was a member of Phi Beta Kappa.

Bradford Stroh - Founder & CEO



Brad co-founded Freedom Financial Network in 2002 and Bills.com in 2005. Bills.com and FFN have been recognized by the Inc. 500 list, Entrepreneur Magazine's Hot 100, and been named multiple times to the list of Best Places to Work in Silicon Valley and Phoenix. In addition, Brad was named Silicon Valley's "40 Under 40" list and was named a regional winner of Ernst & Young's Entrepreneur of the Year Award along with co-founder Andrew Housser. Brad is an investor, advisor, and board member to several entrepreneurial companies including: Goldline International, BiolQ, Vitality Health, Vertical Brands, Custom Products, Homelight, Key Health, Robertson College, and Shopply. Brad received his MBA from Stanford Business School where he was an Arjay Miller Scholar. He received his BA from Amherst College where he was also captain of the men's lacrosse team.

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Jeff Staley - Managing Partner



Jeff partnered with Freedom Financial Network co-founders Andrew and Brad in the early days in order to dramatically expand the scope and scale of the business. Prior to FFN, he was a growth equity investor at Summit Partners and an investor in commercial and consumer credit as CarVal Investors, a value-oriented team focused on loan portfolios, corporate credit, and real estate. Jeff is also an investor and advisor to several entrepreneurial companies. Jeff received his MBA from Stanford Business School and a BA summa cum laude from Boston College. He's married with 3 young boys and enjoys staying active in the great Northern California environment.

Sean Fox - President & CRO



Sean leads marketing, sales, product, analytics and business development for Freedom Financial Network. He joined from Reply! Inc., a leading online marketing platform where he had served as Chief Operating Officer for 5 years. Prior to Reply!, Sean was President of the social networking start-up Connecting Neighbors, which was purchased by Reply! in 2005. Sean began his online marketing career in 1998 with the start-up bamboo.com, which introduced "virtual tours" to the real estate and hospitality industries. That company went public in 1999 and then combined with its largest competitor to create Internet Pictures Corporation (iPix), where Sean served as VP Of Sales and Strategic Alliances. Sean holds a J.D. from Georgetown Law School, a master's degree from Cambridge University, and two bachelor degrees from Stanford University.

Nathan Mascenic - VP, Wholesale Operations



Nathan is an operations and systems expert with over a decade of experience in debt settlement operations and call center technologies. At companies ranging from start-ups to enterprise level maturity, he has a proven track record of delivering on key company initiatives and supporting all facets of a debt settlement business. With a passion for success and servant leadership style, he loves to apply his paramedic skills of triage and prioritization to solving business problems. Nathan earned his bachelor degree summa cum laude from Arizona State University.

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The Wholesale Team

Wholesale Partner Managers	Wholesale Account Managers
Ben Whitlatch - Sr. Manager Phone: (602) 400-7430 Email: asaumier@freedomdebtrelief.com	Roxana Perez - Supervisor of WS Accounts Phone: (480) 500-4404 Email: raperez@freedomdebtrelief.com
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Nathan Mascenic - VP of Wholesale Phone: (480) 628-2877 Email: nmascenic@freedomdebtrelief.com	AR Underwriting Team Email: wholesale@freedomdebtrelief.com Email: underwriting@freedomdebtrelief.com <small>* your contact only if WAM is unavailable</small>

We are your contacts for:

- Guiding your business
- Growth planning
- Escalations
- Commissions
- Accelerating your growth
- Improving your AR tech experience
- Equipping you with the right tech and tools
- Operations planning and implementation

We are your contacts for:

- Basic enrollment questions
- Ensuring your needs are met
- Commission disputes/research
- Underwriting escalations
- If you're not sure where to go!

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Section 2: Systems Log-In Information

OKTA Single Sign-On

OKTA provides you with Single Sign-On (SSO) access to cloud, on-premises, and mobile applications. You sign into Okta, and you can then launch any of your web apps without having to re-enter your credentials.

Here is the link to access OKTA: <https://achieve.okta.com>



Google Chrome

Google Chrome is the web browser you'll be using for all systems. Click on the Google Chrome icon from your desktop. Make sure the default browser on your computer is Google Chrome by checking your system's settings. Not sure how to check the default browser in your system's settings? Click [HERE](#).



DocuSign

Allows organizations to manage electronic agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature, a way to sign electronically on different devices. Click on the DocuSign app from OKTA. We'll be viewing templates later during training.



CAP

The Client Approval Portal (CAP) houses all client lead information and applications. This application is used to organize leads, begin applications, review prospects proposed programs and submitting files to Underwriting and submitting deals.



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Section 3: Consumer Debt Relief Options

Consumers experiencing financial hardship have limited choices to get their finances on track. Debt Consultants work with their prospects and explain pros and cons of the options available. This allows consumers to make informed decisions about how to manage their debt.

Consumer options for debt relief include the following:



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Minimum payments

Making minimum payments requires the most self discipline of all the debt resolution options. The consumer needs to increase their credit card payments one at a time until they pay off each account. They should pay off the highest interest rate cards first.



Advantages

- The consumer is in complete control. As one card is being paid off more quickly, minimum payments are made on the other credit cards.
- Payments are noted as current if all minimums are made on time which reflects positively on the consumer's credit report.
- There are no creditor calls to deal with since accounts are current.



Disadvantages

- Financial stress will continue while the individual struggles to pay off the accounts for the next 10, 20, or even 30 years by tightening their budget and not using any additional credit.
- It may not be possible for the individual to set aside money for savings or emergencies.
- Prevents the individual from building wealth and becoming financially stable and secure until accounts are paid off.
- Requires the individual be extremely disciplined to make the extra payments necessary and not run up additional debt.



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Ideal Candidate: Prospects who are currently paying down their debts and showing no sign of financial distress.



Credit Profile: Healthy (no late payments, low credit utilization, no public records); Balances in savings accounts; Unsecured debt amount is less than \$12,000.

Discussion Questions

1. Are there any other advantages or disadvantages to this method of debt relief?

2. Describe when you would tell a prospect that this is their best option. What resources would you use to make your decision?

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Consolidation Loan

Consumers can pay off their debts in full by obtaining a loan that combines all their credit cards into one monthly payment. There are a few options for these types of loans:

Home Equity Loans	Homeowners with equity may have the option to refinance and take equity out of their home to use the proceeds to pay off their debts in full. Loan qualification may be based on the individual's credit profile, debt to income ratio, appraised value of their home and other factors.
Personal Loans	Some consumers may qualify for a personal loan from a bank which could also allow for one monthly payment. Achieve Personal Loans is an alternative to traditional banks which may require a high credit score, low debt-to-income ratio, and sometimes collateral.
Balance Transfers	Consumers with good credit may have the option for a balance transfer to a low- interest card to help accelerate payoff. However, there is a risk that the interest rate may increase should they miss a single payment. This can place the consumer in an even more precarious position than prior to using this option.



Advantages

- Provides one monthly payment instead of multiple creditor payments.
- The interest rate may be lower on the loan than it was on the credit cards.
- For home equity loans, interest may be tax deductible based on their individual circumstances.

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Disadvantages

- Lenders may require the debt be secured by collateral which puts the secured asset(s) at risk if the consumer defaults.
- Many who refinance their debt find they have reloaded their credit cards back to original debt levels within two years of consolidating.
- It's generally not a good idea to borrow debt to pay off debt. Debt can continue to accumulate thus placing an extra burden on consumers.
- The balances owed are not decreased.
- Qualification may be difficult based on the consumer's credit score and the amount of debt that they may have already accumulated.



Ideal Candidate: Prospects who show mild signs of limited cash flow, but no real credit dependency. They typically borrow at least \$10,000.



Credit Profile: Healthy (no late payments, low credit utilization, no public records); Balances in savings accounts; Unsecured debt amount is less than \$12,000 (can be higher if income supports it).

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Discussion Questions

1. Describe when you would tell a prospect that this is their best option. What resources would you use to make your decision?

2. What advice would you give to the prospect for success using this method?

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Consumer Credit Counseling (CCC)

Some consumers may enroll with a Consumer Credit Counseling agency. These agencies, in conjunction with the prospect's creditors, create a payment schedule for the consumer. Interest rates and late fees are often reduced, but the debt principal remains intact.



Advantages

- A good credit counseling organization will provide budgeting and financial management education, which helps the consumer gain control of their credit and keep it under control in the future.
- Once an individual is enrolled in the program, creditor calls usually stop.
- Typically, the credit card companies agree to lower the interest rates and eliminate some fees.
- Provides for one monthly payment, which, after deduction of credit counselor fees, is distributed pro rata among creditors.



Disadvantages

- The consumer still pays back 100% of the debt, plus interest and some fees.
- Monthly payments may remain the same or could be higher as the result of credit counselor fees, a condensed period to pay interest and other charges.
- May take years to complete.

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- Some agencies may have income requirements or other factors to determine eligibility.
- Advanced delinquency is a disqualifier. You cannot have accounts with third party collections.
- Program completion rate tends to be low.



Ideal Candidate: Prospects with credit card balances under \$7,500. They express interest in consolidation options that lower interest rates.



Credit Profile: Multiple credit cards with limits ranging from \$200 - \$1,000 that are maxed out; Total debt balances range from \$3,500 - \$7,500; Current on their payments.

Discussion Questions

1. Are there any other advantages or disadvantages to this method of debt relief?

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Debt Resolution

Negotiated debt resolution is a process by which a company settles debt on a prospect's behalf, often for a percentage of the balance owed. Our company's historical average settlement is approximately 50% of the original debt amount. This does not include our fees.

When enrolled in this option, prospects make monthly payments to an FDIC-insured bank, which is established and administered by an independent third party. As funds accumulate in this bank account, negotiations with the prospect's creditors take place, leading to a settlement.



Advantages

- On average, a prospect who completes this program sees their total debt reduced by about 50% in as little as 2-4 years.
- A great alternative to bankruptcy, without the long-term credit impact
- By resolving debt in as little as 2-4 years, the prospect is on their way to securing financial freedom.
- One low monthly program deposit.
- Prospects have the benefit of the Federal Trade Commission's "no advance fee" model, which means they won't be charged any fee until the following occurs:
 - A negotiation has occurred with the creditor and a settlement amount has been agreed upon.
 - The prospect accepts the offered settlement.

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- o At least one payment toward the settlement is made.



Disadvantages

- The prospect may receive collection calls as accounts become delinquent.
- Prospects voluntarily stop making direct payments to their creditor(s). As a result, their credit will be negatively impacted while in the program.
- Creditors can seek legal remedies to collect on past-due accounts.



Ideal Candidate: Prospects with more than \$7,500 in unsecured debt, showing signs of financial distress, but can afford a reasonable payment towards their unsecured debt balances.



Credit Profile: Signs of financial distress (late payments, maxed accounts, unsecured loans, public records) are present; No savings accounts or emergency funds.

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Discussion Questions

1. Are there any other advantages or disadvantages to this method of debt relief?

2. Describe when you would tell a prospect that this is their best option. What resources would you use to make your decision?

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Bankruptcy

Bankruptcy is most likely the only option available for those who are so deep in financial hardship that they are unable to obtain a loan or can't afford to make the payments necessary for a debt relief program. There are three chapters of bankruptcy for consumers:



Chapter 7 – Eliminates debt entirely. After the bankruptcy reform of 2005, it is more difficult to qualify for Chapter 7 due to means testing.

Chapter 11 – Provides for reorganization, generally involving a corporation or partnership. This is done through the submitting of an organization's proposal plan of reorganization to keep its business alive and pay creditors over time.

Chapter 13 – The court determines the percentage of debt that is to be paid to the creditor and a trustee is assigned to administer payments. With court costs, trustee fees, and attorney fees, the amount repaid through a Chapter 13 could be higher than the amount owed and could take longer than debt resolution programs.



Advantages

- Protects some individual assets (home equity, retirement funds) depending on state laws.
- With Chapter 7 bankruptcy, an individual can become debt-free and start over fresh.
- Creditor calls will cease
- Creditors will not take legal action

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Disadvantages

- Causes traumatic damage to a consumer's ability to obtain affordable credit
- The public record of a bankruptcy could remain on a consumer's credit report for 10+ years.
- Certain employment opportunities and ability to obtain some licenses may be impacted.
- The process requires being probed by the court for all assets and is generally an unpleasant experience.
- Certification by a credit counselor is required.



Ideal Candidate: Prospects who are deep in debt showing signs of severe financial distress.



Credit Profile: Signs of financial distress (late payments, maxed accounts, unsecured loans, public records) are present; No savings accounts or emergency funds; Cannot afford a monthly payment for any other program.

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Discussion Questions

1. Are there any other advantages or disadvantages to this method of debt relief?

2. Describe when you would tell a prospect that this is their best option. What resources would you use to make your decision?

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Knowledge Check – Section 3

Instructions: Match the option to its description by drawing a line to connect the two.

Option	Description
Minimum Payments	Provides for one monthly payment making it easier to manage payments along with budgeting and financial management education. The individual pays back 100% of the debt which typically takes 3-5 years and monthly payments could be the same or higher than a prospect's current payments.
Consumer Credit Counseling	Provides one monthly payment making it easier to manage payments. However, the borrower pays 100% of the debt and qualification may be difficult based on credit and the amount of debt.
Consolidation Loan	The consumer is in complete control; however, the individual must be extremely disciplined, and it may not be possible to set aside money for savings or emergencies.
Debt Resolution	Provides one monthly program amount making it easier to manage payments reducing debt by as much as 50% and becoming debt free of the enrolled debts in 2-4 years. Payments to creditors must be voluntarily stopped, collection calls will most likely occur, and creditors can seek legal remedies to collect the debt.
Bankruptcy	Protects consumer's assets depending on state laws and allows the consumer to become debt-free. However, this will remain on credit reports for up to 10 years and on public records up to 20 years. Also, certain employment opportunities may be impacted.

Section 4: Debt Resolution Regulators

American Association for Debt Resolution (AADR)

The American Association for Debt Resolution (formerly known as the American Fair Credit Council) is the leading national association of debt resolution companies. The AADR's mission includes the following:

- Educate consumers and policymakers about debt resolution and its benefits
- Hold debt resolution companies to the highest industry standards
- Protect and expand access to the accredited debt resolution services nationwide

AADR Certified Member Companies are held to the highest standards in the industry and never change a fee until their member accepts a negotiated settlement with one of their creditors and makes a payment toward that settlement.

In return for their services, AADR Certified Member Companies are paid a fee by the consumer (never by the creditor) but **only when**

the debt is resolved. To avoid any hint of impropriety, AADR members never handle, manage, or otherwise control their members' funds. Additionally, all AADR members agree to abide by a strict Code of Conduct, ensuring they operate with the highest level of compliance, transparency, and integrity.



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Important! ADRR Disclosures must be covered with prospects before they sign their agreement. These required disclosures have been incorporated into the sales scripts and Program Summary Call recording. In addition, we provide the ADRR Disclosure Statement in the member's agreement.

AADR History

The AADR supports debt resolution companies by educating consumers and policymakers about debt resolution and its benefits as well as protecting and expanding access to accredited debt resolution services for consumers nationwide. The AADR also holds its member companies to the highest industry standards.



In April
2011

The American Fair Credit Council (AFCC), now known as AADR, was founded by a group of industry-leading companies who joined together to advance the goal of full compliance by the debt resolution industry with the stringent regulatory requirements of the Federal Trade Commission's amended Telemarketing Sales Rule.



Today

The AFCC became the AADR in August of 2023 to more clearly communicate its mission and vision with policymakers, federal and state regulators, and consumers. The AADR's name and refined mission provide additional transparency about what the industry does, how it works, the standards to which member companies adhere, and the benefits debt resolution offers consumers.



The Past
Several Years

The debt resolution industry has grown and today better serves the needs of Americans overwhelmed with more unsecured debt than ever before. The AADR has already played a critical role in the industry by establishing new consumer protection standards for its member companies and has set accreditation standards beyond most federal and state requirements.

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Fair Debt Collection Practices Act (FDCPA)

Debt collectors must follow rules about how they collect debts. These rules are part of the Fair Debt Collection Practices Act. The FDCPA does not apply to creditors who collect debts in-house. Also, the FDCPA does not apply to government employees.

This would include collectors who work with government-backed student loans.

Debtors have rights under this law. Collectors must respect a debtor's privacy. They must also refrain from using abusive debt collection practices. Debtors can address violations by contacting the Federal Trade Commission. They may also have recourse through state agencies or through litigation.

The debt collector may not:

- Telephone the debtor before 8 AM or after 9 PM.
- Telephone repeatedly as a form of harassment.
- Use obscene language, make racial, religious, or ethnic slurs, or comments about a debtor's character.
- Contact a debtor at work if prohibited by the debtor's employer or upon debtor's request.
- Contact a debtor for collection purposes after a debtor hires an attorney.
- Claim that papers are legal papers when they are not.
- Send forms that appear to be legal papers when they are not.
- Falsely accuse a debtor of a crime.
 - Threaten a debtor with violence.



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- Garnish wages or sell property if not allowed by law.
- Threaten to sue a debtor when no suit is intended.
- Lie about the amount of the debt.
- Threaten arrest.
- Misrepresent their identity.
- Advertise a debt for sale or distribute a list of debtors.
- Leave telephone messages with third parties disclosing debt.
- Send a debt collections letter without disclosing that this letter is for the collection of a debt and that any information obtained from the debtor may be used for that purpose.

The debt collector may:

- Sue to collect a debt.
- Access a debtor's credit report.
- Report truthful negative information on a debtor's credit report.
- Send mail in care of another person sharing a debtor's address.
- Attempt to collect a debt from a co-signer.
- Add charges allowed by law to the debt or agreed to in the original creditor agreement.
- Contact a debtor by mail (the envelope must not reference the debt).



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Telemarketing Sales Rule (TSR)

The Telemarketing Sales Rule was created to curb deceptive and abusive practices associated with debt relief services. It requires telemarketers to make specific disclosures of material information, prohibits misrepresentations, sets limits on the times telemarketers may call consumers, prohibits calls to a consumer who has asked not to be called again, and sets payment restrictions for the sale of certain goods and services.

Violations of the TSR are subject to fines of \$42,530 (for each violation), injunctions that prohibit certain conduct by the business and payment to injured consumers.

The TSR focuses on four key elements:



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Upfront Fees

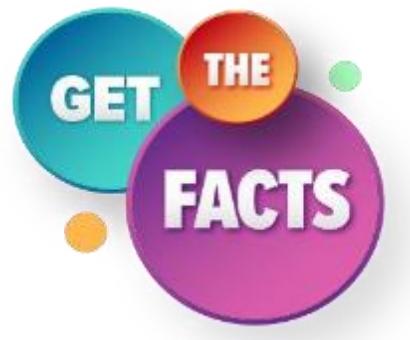
Collecting upfront fees is illegal. Fees can only be collected from the consumer after these three requirements are met:

1. Reached a successful result for our member.
2. An agreement is made between the member and the creditor.
3. The member must have made a payment to the creditor.

Disclosure

Certain information must be disclosed to the consumer prior to enrollment in our program. The information that must be disclosed includes:

- **Cost of services & important terms/conditions:**
 - All fees must be disclosed prior to someone signing up for our service.
 - All material restrictions, limitations or conditions of service must be disclosed.
- **Length of time for advertised results:**
 - Length of time that it will take a member to achieve the advertised or represented results must be disclosed.
- **Money a member must save before an offer is made to a creditor:**
 - The amount of money or percentage of each outstanding debt that they must accumulate before Freedom will make an offer to the creditor must be disclosed.
- **Consequences of a member not continuing to make timely payments director to creditor:**



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- All consequences of a member not continuing to make timely payments directly to the creditor must be disclosed.
- **Member rights regarding dedicated accounts.**
 - Account will be in the member's name.
 - Members own the funds held in the account. They can withdraw any time without penalty.
 - Upon withdrawal from the service, they will get back all the money in the account except for fees owed to AR in compliance with the TSR.

Misrepresentation

The TSR prohibits the misrepresentation of:

- Affiliations with sponsorships and endorsements by any person, organization, or government entity.
- Amount of money or the percentage of the debt someone may save by using our service and the amount of time necessary to get the results we represent.
- The effectiveness of our service on a member's credit worthiness.
- The effect of our service on the collection efforts of any creditors or debt collectors.



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Inappropriate Behavior

The TSR prohibits inappropriate behavior that includes:

- The use of threats, intimidation, and profane or obscene language is strictly prohibited.
- Calling consumers repeatedly or continuously with the intent to annoy, abuse or harass.
- If a member asks to no longer be contacted, repeatedly calling their number for any reason is in strict violation of the TSR guidelines.



TSR Resources

- Debt Relief Services & the Telemarketing Sales Rule: A Guide for Business
- <https://www.ftc.gov/tips-advice/business-center/guidance/debtrelief-services-telemarketing-sales-rule-guide-business>



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Knowledge Check – Section 4

1. What year was the AADR formed?
 - a. 2001
 - b. 2010
 - c. 2011
 - d. 2012

2. True / False – The AADR works on behalf of creditors, standing up to consumers and representing the interests of their organizations.

3. What are creditors allowed to do when collecting a debt? (Check all that apply.)
 - a. Access a debtor's credit report.
 - b. Telephone the debtor before 8 AM or after 9 PM.
 - c. Sue to collect a debt.
 - d. Use obscene language, make racial, religious, or ethnic slurs, or comments about a debtor's character.

4. What must happen before we can collect our fee?
 - a.
 - b.
 - c.

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5. Certain information must be disclosed to prospects prior to enrollment in our program. This includes cost of services & important terms/conditions, length of time for advertised results, and what else?



Section 5: Our Debt Resolution Program

Key Components

The Debt Resolution industry (aka Debt Negotiation) is newer in the consumer debt relief arena compared to options such as consumer credit counseling. Over the last 10-15 years, debt resolution has grown and become more mainstream. New debt resolution companies have emerged, and the industry has gained quite a bit of momentum. The task of offering debt resolution services is an immense one. The key components of a debt resolution company are:

- | | |
|--|--|
| <p>1 A deep sense of compassion for those in debt.</p> <p>2 Intricate knowledge of how creditors and collection agencies work.</p> <p>3 Skill in building efficient business processes.</p> <p>4 Personnel and technology to properly service clients.</p> | <p>5 A consultative sales team that moves prospects to enrollment.</p> <p>6 Skilled negotiators that work with creditors on a member's behalf.</p> <p>7 A customer service division trained to handle inquiries.</p> <p>8 An executive team committed to excellence.</p> |
|--|--|

Prospects that seek or participate in debt resolution have often experienced life events that make it hard for them to pay their bills resulting in numerous loans and delinquent accounts. Debt resolution programs, such as the one we offer, negotiate with creditors to settle members' debts at a reduced amount. This lower amount is often more than the creditor would get from a collection's agency.

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Debt Resolution Program

Also referred to as debt negotiation or debt settlement, debt resolution is designed for people who cannot make required minimum payments and/or are considering bankruptcy or credit counseling.



When a prospect enrolls in a debt resolution program, they'll make monthly deposits into a special purpose account (also known as a dedicated account). As the balance in their account increases, the debt resolution company contacts their creditors and negotiates settlements for less than what they owe.



Note: Creditors are willing to work with us because the negotiations team has established relationships with them. As a result, creditors know that we act with integrity so there is a great level of trust between us and them. Additionally, creditors know that working with us will allow them to get something paid back rather than nothing.

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Three Benefits of Our Program (ROR)



Our Program Guarantee

The Achieve Resolution Guarantee is a safety net we provide for our clients. Since we always aim to help clients pay less than they owe on debt, we offer this refund guarantee:

After exiting the program, if the total amount a client paid for settlements (including our fees) exceeded the amount of debt the client enrolled, we'll refund the difference out of the fees we collected—up to 100%.

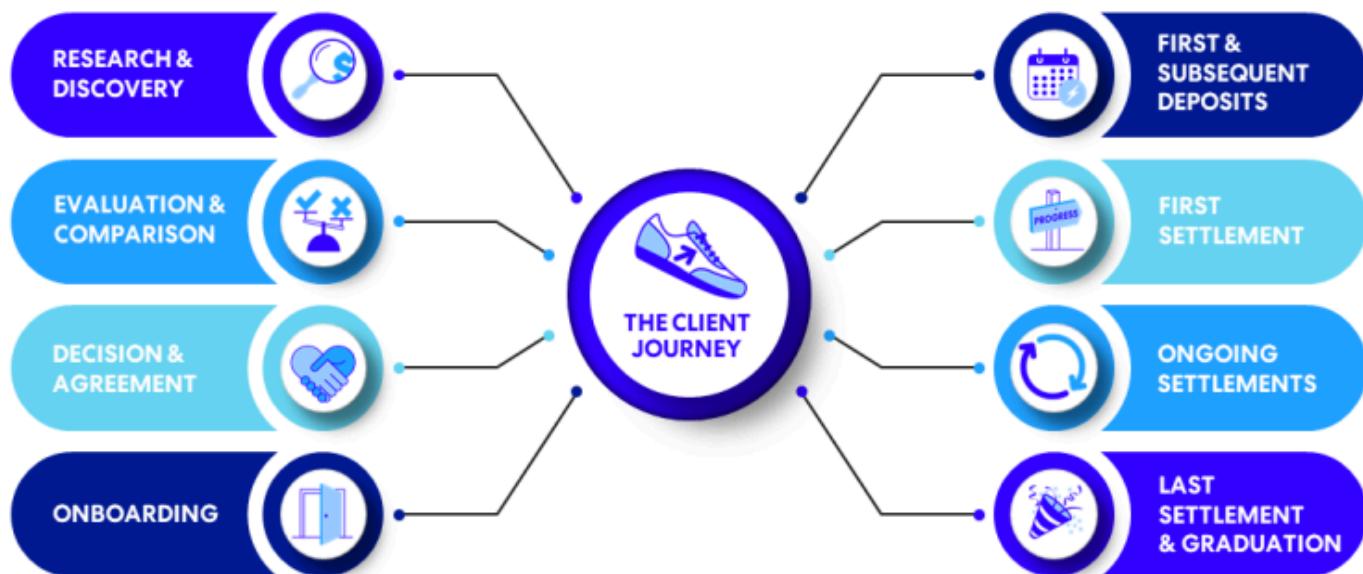
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This guarantee takes effect when members graduate the program—or even if they leave before graduating. When clients exit the program, we'll use the combined total of all the debts enrolled and settled and the fees paid to us to calculate eligibility for a refund.

This guarantee covers all debt accounts enrolled as long as clients do not withdraw funds from the enrolled account, take advances on the enrolled account, or add more debt to the enrolled account. **This is not a savings guarantee**, but a promise that we'll refund up to 100% of our collected fees if clients do save money on your enrolled debts through our program.

The Client Journey

Our Lifecycle Marketing department did a lot of research to create a Client Journey Lifecycle Map. This map goes through each stage of our program from all viewpoints and includes internal departments, member needs, as well as the member's emotional response.



Program Fees

The Program Fee is a percentage of the total enrolled debt amount.

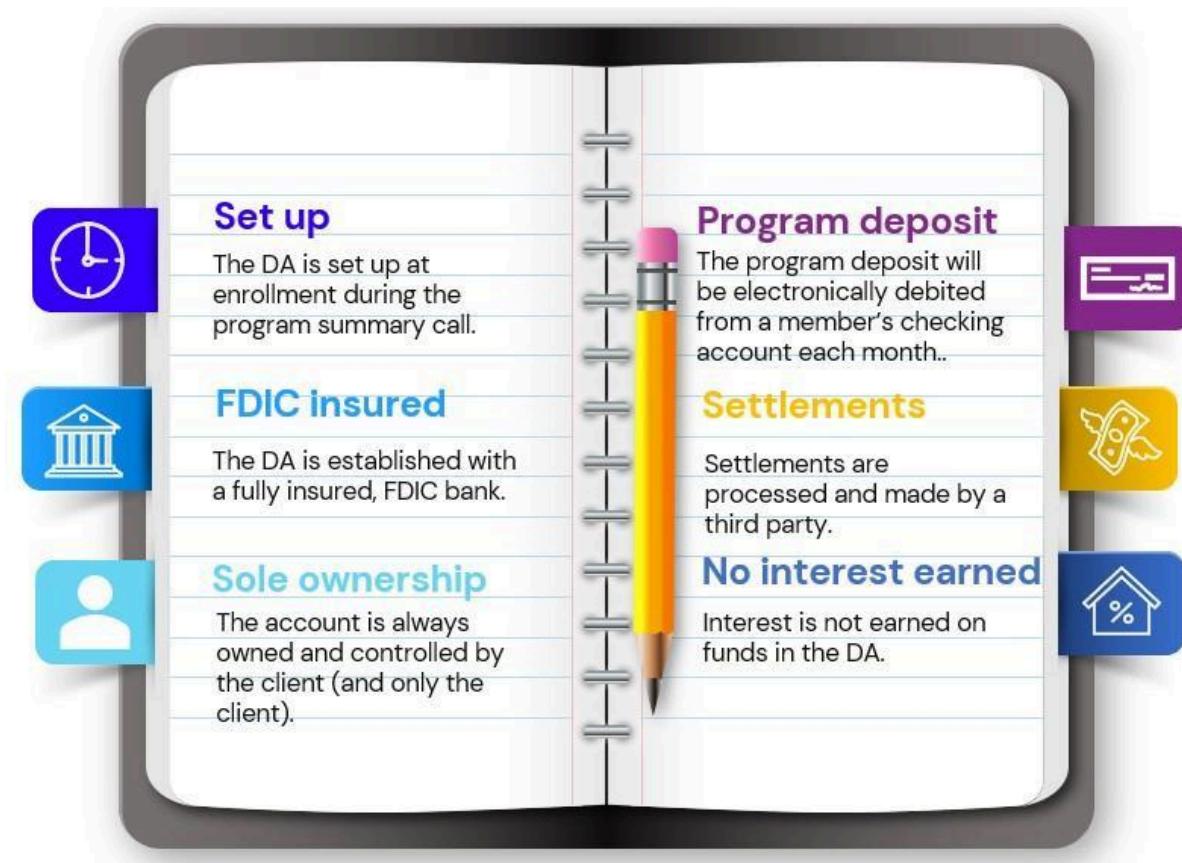
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- Tiered fee structure.
- Included in the total monthly program deposit.
- Fee percentage calculated and based on the prospect's state of residence and total amount of debt enrolled into the program (see "Acceptable States List" document linked below).

Dedicated Accounts

A key aspect of our program is the fact that the member is opening a new bank account for the purpose of accumulating funds for future settlements. This account is referred to as a Dedicated Settlement Account or Dedicated Account (DA).

Here's How it Works:



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California 1405 (CA 1405)

The California Assembly Bill 1405 enacts the Fair Debt Settlement Practices Act and was approved by the Governor and filed with the Secretary of State on October 4, 2021. This new assembly bill did change some of our sales processes for prospects from California that want to enroll in our debt resolutions program. Click on the link to our SharePoint document, outlining the requirements for California residents below. You will also be completing a course in Bridge about the California Assembly Bill 1405 and the requirements for debt consultants.



There is a **California 1405** walkthrough document for reference provided to you in your Agent Google Drive.

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Knowledge Check – Section 5

1. Which item listed below is NOT one of the three benefits of our program?
 - One low monthly program deposit
 - Improve your credit score
 - Reduce what you owe
 - Resolve your enrolled debt in as little as 24 – 48 months

2. True / False – Fees are not included in the total monthly program deposit amount quoted to prospects.

3. You're on the phone with a prospect who lives in Arizona and has \$30,940 in unsecured debt balances. What will be their fee percentage? When can we collect our fee?

4. Which of the items listed below are accounts that cannot be enrolled in the debt resolutions program? (Check all that apply.)
 - Credit Cards and Personal Loans
 - Mortgages
 - Auto Loans
 - Medical Bills

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Section 6: Financial Fundamentals for Sales - Part 1 & 2

Your trainer will facilitate a Computer Based Training (CBT) that covers some basics in financial literacy.

Financial Fundamentals, Part 1: [HERE](#)

Financial Fundamentals, Part 2: [HERE](#)



CBT Password: WSTraining

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Knowledge Check: Part 1

Instructions: Let's put your new credit card knowledge to work! Answer the following multiple choice questions and be prepared to discuss in class.

1. The term used to describe the exchange of goods and services between two or more parties without the use of money is:
 - a. Currency
 - b. Bartering
 - c. Credit
 - d. FICO

2. The maximum balance you are allowed to have on your credit card is:
 - a. Your available credit
 - b. The minimum payment
 - c. The APR
 - d. Your credit limit

3. The yearly rate of interest you will pay on a credit card balance that's not paid.
 - a. Your available credit
 - b. The minimum payment
 - c. The APR
 - d. Your credit limit

4. The amount of your credit limit that you can send is:
 - a. Your available credit
 - b. The minimum payment
 - c. The APR
 - d. Your credit limit

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5. You have a balance of \$4,000 on your credit card, your APR is 22%, and you're paying the minimum amount owed, which is \$80. If you calculated the amount of interest your minimum payment would cover, what steps would you take? **Select all that apply.**

- a. Divide the APR (22%) by 365 days, equaling .06%
- b. Multiply .06% by 30 calendar days, equaling 1.8%
- c. Multiply 1.8% by 365 days
- d. Multiply 1.8% by the balance (\$4,000), equaling \$72

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Knowledge Check: Part 2

1. The most significant factor in your credit score is on-time payments. What percentage is that category?
 - a. 40%
 - b. 35%
 - c. 30%
 - d. 25%

2. The amounts you owe (credit utilization) comprises what percentage of your FICO score?
 - a. 40%
 - b. 35%
 - c. 30%
 - d. 25%

3. Which two categories each account for 10% of your overall FICO score? Select all that apply.
 - a. New Credit
 - b. Length of Credit History
 - c. Inquiries
 - d. Credit Mix

4. The length of your credit history is what percentage of your credit score?
 - a. 30%
 - b. 20%
 - c. 15%
 - d. 10%

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5. This type of inquiry does not affect your credit score.

- a. Hard
- b. Soft
- c. Public Record
- d. PII

Section 7: Hardships

Our Members

Our members come to us after finding themselves in financial distress. This may be from medical bills, steep credit card balances, late payments, divorces, and many more life events.

Our members have kids, car payments, a mortgage or rent, and credit cards. In most cases, our members never thought they would have to ask for help with their debt. It is important to understand that life events can trigger their hardships, however, and as a debt consultant, you are expected to treat them with empathy and compassion.

Life Events

How do prospects end up in financial hardship? There are many reasons. The events our members go through are some of the most stressful events in a person's life. Many of these rank in the Top 10 most stressful events as listed on the HolmesRahe Stress Inventory. This is something to consider as you talk to your prospects and is the reason we place such importance on showing empathy.



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Qualifying Hardships

Job Loss

One of the most common hardships our members face is job loss. Reduction in the workforce has become the norm in today's work environment. This can have a major effect on people's income. Your prospect may have had a budget and lived well within their means. Once they lose their job, however, their budget could become obsolete, and they may use up their savings. One of the most stressful life events is Job Loss.



Income Change/Loss

Besides losing a job completely, there are also many forms of income change. Income change may be the result of a reduction in hours, high insurance premiums, or a lower paying job. Even though the prospect may still have a job, the reduction in pay can make it difficult to pay their bills. This can make a stressful situation even worse.



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Medical Bills/Illness

Illness and medical bills account for a great deal of debt involved in bankruptcies. This debt combined with the illness that caused the debt are very stressful. If the illness is severe, it can also make it more difficult to pay other debts. This can cause serious financial problems when it is already a difficult situation.



Important! When hardship details that are medical in nature have been disclosed by the prospect, you may not document that personal medical information.

Divorce

Divorce is a major life change in many ways and the financial impact is a big part. While some divorces are amicable, others are bitter and difficult. Even in the best of circumstances, divorce may cut income in half or worse. In some cases, one spouse may run up credit card bills on purpose. Others may take everything out of their bank accounts. These are the types of stressful situations our prospects may be experiencing.



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Death

Coping with financial worries on top of grieving a loved one's death is difficult.

Understanding how to handle money matters after a partner, spouse, or other family member has died, getting together the cash for a funeral, and learning to depend on yourself financially again are all large-scale changes, and something that our prospects have possibly dealt with causing their debt issues.



Natural Disaster and Pandemic

Consumers affected by a disaster often see a decline in their credit scores, are more liable to fall behind on their bills and generally experience a cascade of financial consequences, including several debts winding up with bill collectors, bankruptcy or even homelessness.



COVID-19 took quite the toll on the economy. This pandemic caused major waves in the stock market, an unemployment rate so low, a rate like that hadn't occurred since the Great Depression, and even earned the title of a recession. Some consumers are struggling to meet their financial responsibilities from the pandemic still to this day.

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Hardship Statements

As a Debt Consultant, you need to take your prospect's story and write a qualifying hardship statement. Hardship statements are entered for any member participating in our program. Every hardship statement needs to include a cause; something that leads up to the prospect's financial distress. This cause should fall in line with one of the qualifying hardships previously discussed. In addition to the cause, there should also be an effect. The effect is the result of the financial distress.

Please review the hardship statement below. Note how the cause (**BLUE**) and effect (**ORANGE**) is clearly identified.

Member separated from husband and went from dual income to single income. She uses credit cards to pay for necessities. Credit card balances became unmanageable and now she is struggling to pay the minimums owed. She is in fear that she will not be able to make further payments and does not want to file for Bankruptcy.

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Section 8: Credit Reports and Financial Distress

Credit Reports

You recently learned that a credit report is a record of a consumer's credit history that includes information about the following:

- Consumer's Information.** The consumer's name, address, full or partial Social Security Number, date of birth, and employment information.
- Inquiries.** A list of companies or persons who recently requested a copy of the credit report. Debt Consultants do not see the list, rather, they may see a note that says, "too many inquiries."
- Public Record.** Information about court judgements against the consumer, any tax liens against owned properties or bankruptcy information.
- Existing Credit.** Information about the consumer's credit like credit card accounts, mortgages, car loans, and student loans. It may also include the terms of credit, amount owed to the creditor, and payment history.

1

EQUIFAX

Personal Information	
Best Name	Other Names
Tommy Tutone	
Social Security number encrypted	Other Social Security number(s)
	Date of Birth 1985
Best Address 8675 Three O'Nine Way Tutone, MA 02134	Other Address(es)
Best Employer BOSTON PUBLIC SCHOOLS	Other Employer

2

Messages		
Date	Type	Statement
		0083 SSN NOT PROVIDED
		0085 TOO MANY INQUIRIES LAST 12 MONTHS

3

Public Records
No public records

Statements
No Statements

4

Tradelines

CITI / 1339272 / BB - All Banks - Non-Specific																					
Open Date	Credit Limit	High Balance	Status Date	Past Due	Last Paid Date	Scheduled Payment	Actual Payment	Balance Date	Current Balance												
09/04/2010	\$27,000	\$20,511	03/01/2023	\$0	03/12/2023	\$514		03/15/2023	\$20,511												
Account Condition: Open account					Account #: 410039050135																
Payment Status: Account in good standing					Responsibility: Individual																
Account Type: Flexible Spending Credit Card					Account Terms: Revolving																
Payment History: (Up to 25 months)					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Delinquency Counter: (Past 7 years)	30	60	90+	Derog
					2023	C	C	C								0	0	0	0		

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Viewing Prospects' Credit Reports

Public Records

Public Record Information

1. Type of record. Public Records → US BKPT CT FL JACKSONV / 1007002 Type/Status: Bankruptcy chapter 7 - discharged Filing Date: 09/20/2007 Status Date: 01/25/2008 Comments: Docket #: 0704127JAF Repay/Adjust: Liability:	3. Filing Date ← 09/20/2007	2. Responsible Party Joint \$0 → 4. Amount of Judgement Unknown
5. Status Date ← 01/25/2008	6. Docket Number /	Responsibility: Amount: Book Page: Plaintiff: Voluntary/Involuntary: Assets:

- You will want to review the **Responsible Party** (2). In this example, you will see that this Chapter 7 Bankruptcy was filed jointly. That means there could be a Co-Applicant to enroll in the program.

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Basic Tradeline Information

1. Creditor Name	2. Credit Limit	3. Balance Date	4. Current Balance
SHELL/CBNA / 1811026 / B0 - Bank Credit Cards			
Open Date	Credit Limit	High Balance	Status Date
03/09/2021	\$4,500	\$4,497	02/01/2022
Account Condition:	Open account	Account #:	518752061004
Payment Status:	Account in good standing	Responsibility:	Individual
Account Type:	Credit Card, Terms REV	Account Terms:	Revolving
Payment History: (Up to 25 months)	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	Delinquency Counter: (Past 7 years)	30 60 90+ Derog 0 0 0 0
	2022 C C	Worst Delinquency:	
	2021 0 0 0 0 0 0 0 0 0 C	Worst Delinq Date:	
	2020	Months Reviewed:	12
5. Account Type			
6. Responsibility			

1. **Creditor Name** – This is important to verify that we have accurate information.
2. **Credit Limit** – The limit as designated by the lender.
3. **Balance Date** – The tradeline will only transfer to CAP if the balance date is less than 60 days old. If it is older than 60 days, we will need an updated statement to include this debt into our program.
4. **Current Balance** – Balance remaining on account as of the balance date.
5. **Account Type** – Type of account being reported (Credit Card, Auto, Mortgage).
6. **Responsibility** – Who is responsible for the card and for making the payments?
 - a. **Individual** – The account is solely in the prospect's name.
 - b. **Joint** – There is a co-borrower on the account and possibly another decision maker for the household.
 - c. **Authorized User** – Your prospect can access the account, but doesn't have decision-making rights because it belongs to someone else.
 - i. Authorized User accounts cannot be enrolled in our program without including the primary account holder and all other unsecured accounts they have in their name.
 - ii. Authorized user accounts do affect credit, good and bad. If the prospect tells you that their mother is an authorized user on one of their cards, we should let them know they should remove her from the account so that it won't impact her credit when the account is enrolled in our program.

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Accounts Types

Auto Loan

Open Date	Original Amount	Status Date	Past Due	Last Paid Date	Scheduled Payment	Actual Payment	Balance Date	Current Balance
10/02/2020	\$41,830	01/01/2021	\$0	02/04/2022	\$667		02/16/2022	\$34,898

Account Condition: Open account
Payment Status: Current account/Was 30 days past due date
Account Type: Auto Loan
Payment History: (Up to 25 months)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	C	C										
2021	C	C	C	C	C	C	C	C	C	C	C	C
2020												1

3. Responsibility

Account #: 12027618181316
Responsibility: Individual
Account Terms: 75 Month
Delinquency Counter: (Past 7 years) 30 60 90+ Derog 1 0 0 0
Worst Delinquency: Worst Delinq Date: Months Reviewed: 16

2. Account Type

- The account shown is an auto loan and is highlighted in Pink.
 - Pink generally indicates that the account is a secured debt. Typically, we cannot enroll secured debt into our program; however, this is not always the case. Sometimes the debt is a repossessed vehicle, or a loan secured to household goods. In either of these cases, we may be able to enroll these accounts.

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Credit Cards

1. Creditor Name	2. Credit Limit	3. Balance Date	4. Current Balance																																																				
BANK OF AMERICA / 1230206 / BC - Bank Credit Cards																																																							
Open Date	Credit Limit	High Balance	Status Date																																																				
01/14/2008	\$26,900	\$24,349	09/01/2022																																																				
Past Due	Last Paid Date	Scheduled Payment	Actual Payment																																																				
\$0	08/11/2022	\$259																																																					
Balance Date	Current Balance																																																						
09/06/2022	\$24,349																																																						
Account Condition: Open account Payment Status: Account in good standing Account Type: Credit Card, Terms REV Payment History: (Up to 25 months)																																																							
<table border="1"> <thead> <tr> <th></th><th>Jan</th><th>Feb</th><th>Mar</th><th>Apr</th><th>May</th><th>Jun</th><th>Jul</th><th>Aug</th><th>Sep</th><th>Oct</th><th>Nov</th><th>Dec</th> </tr> </thead> <tbody> <tr> <td>2022</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td></td><td></td><td></td><td></td></tr> <tr> <td>2021</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td></tr> <tr> <td>2020</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>C</td><td>C</td><td>C</td><td>C</td></tr> </tbody> </table>					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022	C	C	C	C	C	C	C	C					2021	C	C	C	C	C	C	C	C	C	C	C	C	2020									C	C	C	C
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2020									C	C	C	C																																											
5. Account Type																																																							
Account #: 6121 Responsibility: Individual Revolving Account Terms: 30 60 90+ Derog Delinquency Counter: (Past 7 years) 0 0 0 0 Worst Delinquency: 6. Responsibility Worst Delinq Date: Months Reviewed: 99																																																							

- The account shown is a credit card account and is highlighted in green.
 - Green generally indicates that the account is unsecured and can be enrolled in our program.

Student Loans

FED LOAN SERV / 1850180 / EL - Student Loans																																																							
Open Date	Original Amount	Status Date	Past Due																																																				
08/29/2016	\$16,144	01/01/2022	\$0																																																				
Last Paid Date	Scheduled Payment	Actual Payment	Balance Date																																																				
01/01/2022	\$0		01/31/2022 \$16,870																																																				
Account Condition: Open account Payment Status: Account in good standing Account Type: Education Loan Payment History: (Up to 25 months)																																																							
<table border="1"> <thead> <tr> <th></th><th>Jan</th><th>Feb</th><th>Mar</th><th>Apr</th><th>May</th><th>Jun</th><th>Jul</th><th>Aug</th><th>Sep</th><th>Oct</th><th>Nov</th><th>Dec</th> </tr> </thead> <tbody> <tr> <td>2022</td><td>C</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>2021</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td></tr> <tr> <td>2020</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td></tr> </tbody> </table>					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022	C												2021	C	C	C	C	C	C	C	C	C	C	C	C	2020	C	C	C	C	C	C	C	C	C	C	C	C
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec																																											
2022	C																																																						
2021	C	C	C	C	C	C	C	C	C	C	C	C																																											
2020	C	C	C	C	C	C	C	C	C	C	C	C																																											
Account #: 7285413314FD00009 Responsibility: Individual Account Terms: 300 Month Delinquency Counter: (Past 7 years) 0 0 0 0 Worst Delinquency: 6. Responsibility Worst Delinq Date: Months Reviewed: 49																																																							

There are two types of student loans - Federal Student Loans and Private Student Loans.

- Federal Student Loans do not qualify for our program, but, if a prospect can show proof that a student loan is private, then we can enroll it.

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Collections

1. Collection Company Name									3. Balance Date			
MIDLAND FUNDING / 1946587 / YZ – Collections – Non-Specific												
Open Date	Original Amount	Status Date	Past Due	Last Paid Date	Scheduled Payment	Actual Payment	Balance Date	Current Balance				
10/14/2013	\$1,961	11/01/2013	\$1,961		\$0		12/20/2015					
Account Condition	Open account									Account #	6121	
Payment Status:	Account in good standing									Responsibility:	Individual	
Account Type:	Credit Card, Terms REV									Account Terms:	Revolving	
Payment History: (Up to 25 months)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022	C	C	C	C	C	C	C	C			
	2021	C	C	C	C	C	C	C	C	C	C	
	2020											
Original creditor / GE MONEY BANK	← 2. Original Creditor									Delinquency Counter: (Past 7 years)	30 60 90+ Drog	
										0 0 0 0		
										Worst Delinquency:		
										Worst Delinq Date:		
										Months Reviewed:	99	

- On collection accounts, you will see the collection company name (1) along with the Original Creditor (2). This is important information; the prospect will most likely know the original creditor and not the collection company name.
- The Balance Date (3) should be reported within the last 60 days. If the collection is more than 60 days old, we will need a new statement.

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Payment History/Delinquency Counter

Payment History Codes

DISCOVER BANK / 3276502 / BC - Bank Credit Cards										2. Delinquency Counter				
Open Date	Credit Limit	High Balance	Status Date	Past Due	Last Paid Date	Scheduled Payment	Actual Payment	Balance Date	Current Balance					
11/24/2019	\$12,900		09/01/2021	\$14,026	01/14/2021			02/15/2022	\$14,026					
Account Condition: Unpaid balance reported as a loss										Account #:	601100214232			
Payment Status: Account 180 days past due date										Responsibility:	Individual			
Account Type: Credit Card, Terms REV										Account Terms:	Revolving			
Payment History: (Up to 25 months)										Delinquency Counter: (Past 7 years)	30	60	90+	Derog
											1	1	4	6
										Worst Delinquency:				
										Worst Delinq Date:				
										Months Reviewed:	27			

- The **Delinquency Counter** (2) displays how many 30, 60 and 90+ late payments the prospect has had as well as showing how many times the account has gone into a derogatory status.
- While the **Payment History** (1) only shows the last 25 months, **Months Reviewed** (3) shows how many total months have been reviewed.

25 Month Payment History Codes:

- | | |
|--|---|
| <ul style="list-style-type: none">C - Current0 - Current account/ zero balance reported1 - 30 days past due date2 - 60 days past due date3 - 90 days past due date | <ul style="list-style-type: none">4 - 120 days past due date5- 150 days past due date6 - 180 days or more past due date9 - Collection, Charge off, Chapter 7 or 13N - Current account/zero balance, no update received for this trade |
|--|---|

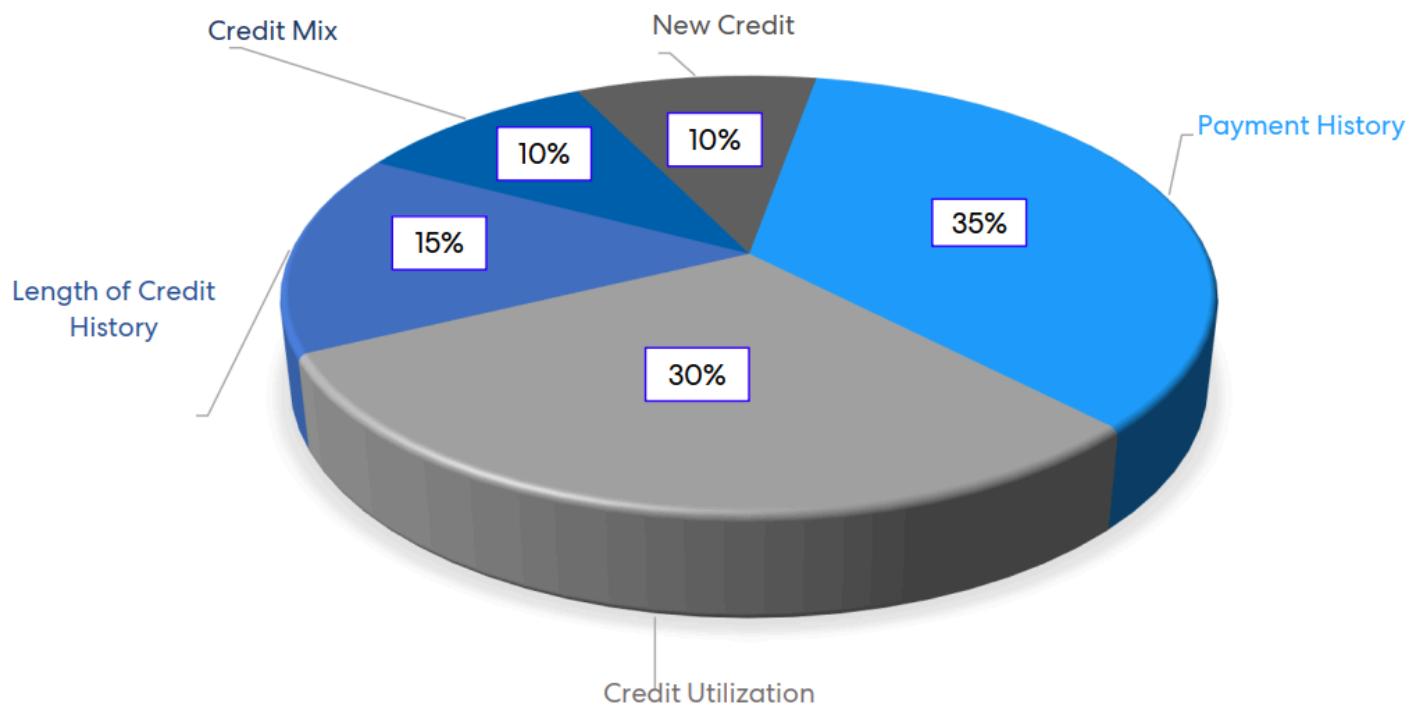
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Credit Scores

FICO (Fair Isaac Corporation) is the biggest name in town when it comes to credit scores. Most major card issuers and lenders in the U.S. use FICO's traditional model to decide whether to extend credit to consumers and at what interest rate. According to the company's website, 90 percent of all lending decisions in the U.S. use FICO scores, and more than 27 million scores are sold each day.

How is your FICO score calculated?

While the inner workings of the FICO scoring system are a closely guarded secret, the company is open about the general components of a FICO credit score. Using the information in a borrower's credit report, FICO breaks that information into categories. Those five components each have different weights.



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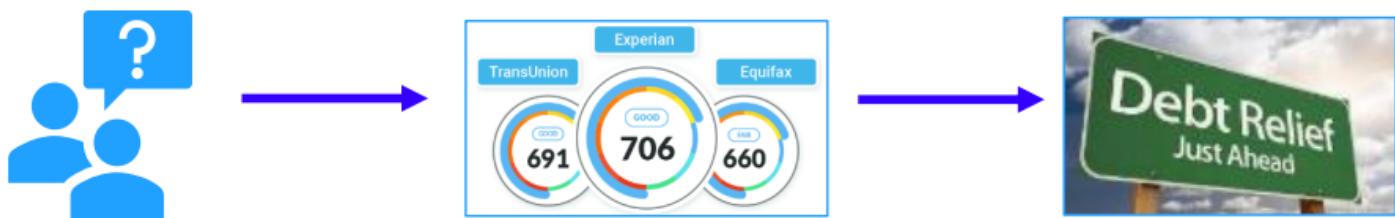
Five Components of a Credit Score

FICO Score Components		
Payment History	35%	The most significant factor in your credit score is on-time payments. Lenders want people to pay them back in full, on time, with interest.
Credit Utilization	30%	This category has to do with your total debt. However, just because someone has a specific amount of debt doesn't mean their score is automatically higher or lower—it's more about how much of your available credit you're using. So, for example, if you've maxed out on a credit card, FICO might assume that you're in financial distress and lower your score. There's no benchmark credit utilization ratio above zero that will maximize your credit score – not even the oft-cited "30-percent rule." Credit utilization is measured individually by card and across multiple cards.
Length of Credit History	15%	In the eyes of FICO, the older your credit accounts are, the better. A long history gives lenders a clearer picture of your financial habits.
New Credit	10%	New credit lines won't impact scores as much as payment history or credit utilization. However, applying for multiple credit lines in a short period of time shoots up a red flag for FICO, as it assumes financial distress.
Credit Mix	10%	Repaying a variety of debt products indicates that the borrower can manage all sorts of credit. A good mix of revolving credit and installment loans generally represents less risk for lenders.

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Recognizing Financial Distress

In your role as a debt consultant, think of yourself as a financial doctor. When a prospect calls, they call because they need help. It is your job to find out where it hurts, why, and prescribe the right solution. In this case, the credit report is what you will use to find the pain points while prescribing the debt relief option that best suits the prospect's needs.



Most of our prospects:

- Have already heard the answer "no" to additional credit lines.
- Often they don't understand why they are hearing "no" when in fact they have never missed a payment on anything, and they think that their credit score is pretty good.

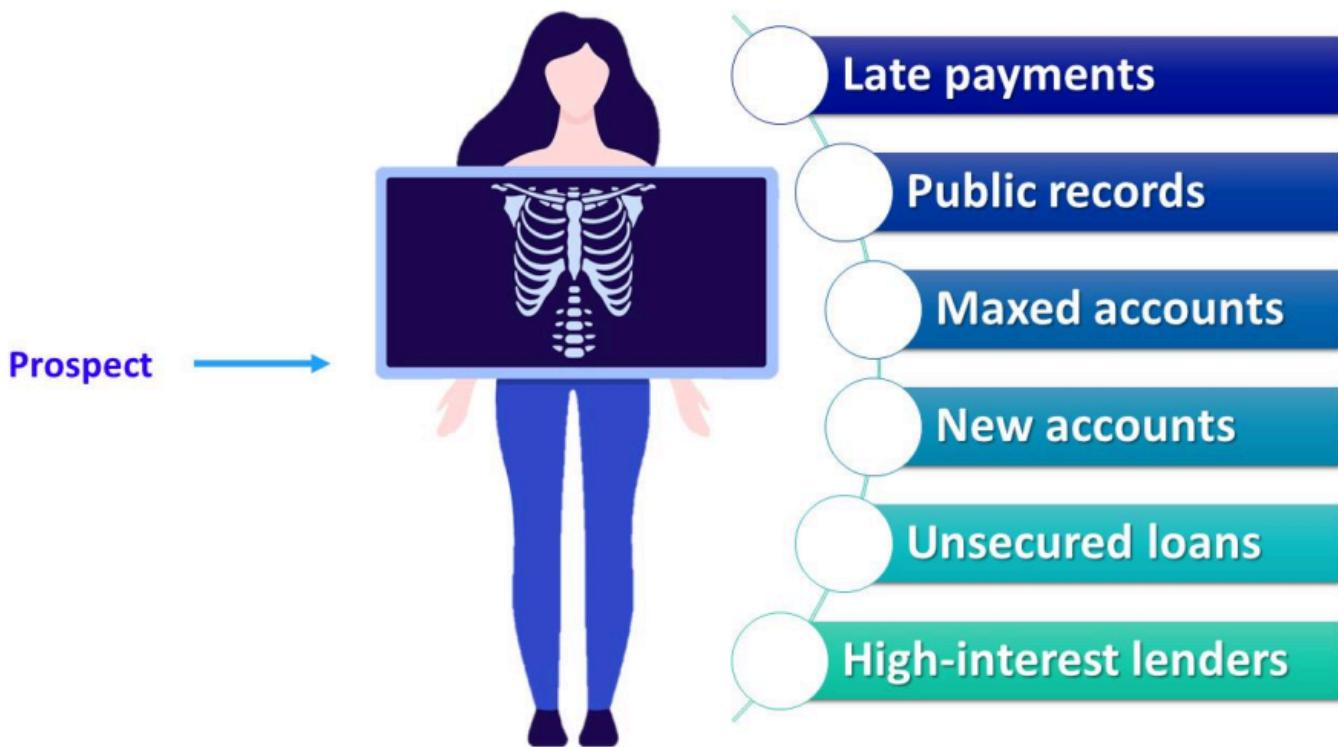
You will provide prospects with a credit analysis that teaches them a new way to think about credit, debt, earnings, and savings which provides real value because once they understand why they are hearing "no" and have options to fix the problem. This type of analysis is something they would normally pay to get from a financial planner; we give it to them for free.

Through our knowledge of this process, we show ourselves to be competent financial professionals who have the prospect's best interest at heart.

Once we pull a copy of the credit report, we review and look for signs of financial distress.

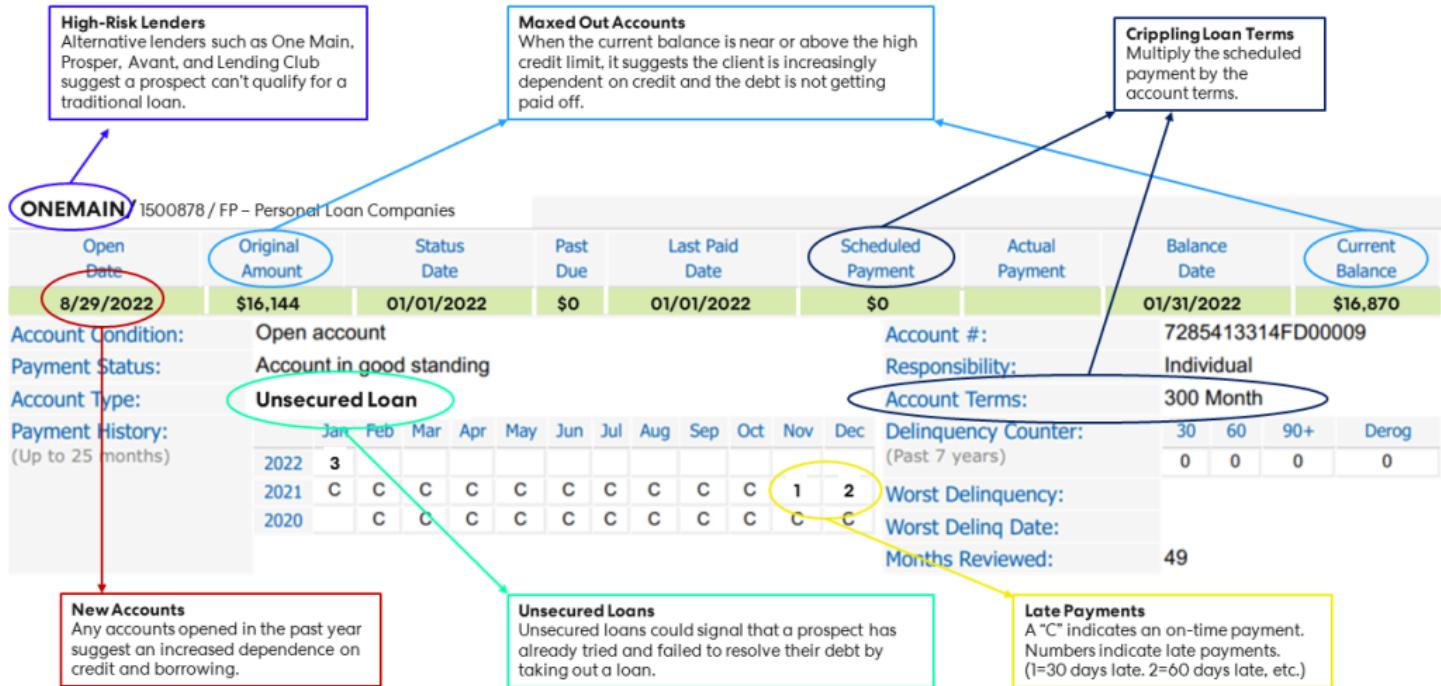
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Key Components of Financial Distress



The presence of any of these components indicates real financial distress and suggests the solution could be a debt resolution program.

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Late Payments

DISCOVER BANK / 3276502 / BC - Bank Credit Cards									
Open Date	Credit Limit	High Balance	Status Date	Past Due	Last Paid Date	Scheduled Payment	Actual Payment	Balance Date	Current Balance
11/24/2019	\$12,900		09/01/2021	\$14,026	01/14/2021			02/15/2022	\$14,026
Account Condition: Unpaid balance reported as a loss					Account #: 601100214232				
Payment Status: Account 180 days past due date					Responsibility: Individual				
Account Type: Credit Card, Terms REV					Account Terms: Revolving				
Payment History: (Up to 25 months)					Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	Delinquency Counter: (Past 7 years)		30 60 90+ Derog	
					2022 9 9	1 1 4 6			
					2021 C C 1 2 3 4 5 6 9 9 9 9	Worst Delinquency:			
					2020 C C C C C C C C C C	Worst Delinq Date: Months Reviewed:		27	

Key Observation Points

- The account information highlighted in green generally means that the account is unsecured. If the account was a secured debt, the account information would be highlighted in pink.
- Note that the past due amount is \$14,026 which means that the bill has not been paid in a while. The payment history confirms this with a “9” listed in the columns.
- There is a note in the “Payment Status” area stating that the “Account is 180 days past due” as well as an account condition stating, “Unpaid balance reported as a loss.”

Discussion Question

- How would you address this with the prospect? What questions could you ask them?

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Maxed or Near Maxed Accounts

CITICARDS CBNA / 1240000 / BC - Bank Credit Cards												
Open Date	Credit Limit	High Balance	Status Date	Past Due	Last Paid Date	Scheduled Payment	Actual Payment	Balance Date	Current Balance			
10/19/2016	\$14,000	\$13,893	02/01/2022	\$0	02/08/2022	\$282		02/10/2022	\$13,854			
Account Condition:		Open account										
Payment Status:		Account in good standing										
Account Type:		Credit Card, Terms REV										
Payment History: (Up to 25 months)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	2022	C	C									
	2021	C	C	C	C	C	C	C	C	C	C	
	2020	C	C	C	C	C	C	C	C	C	C	
Delinquency Counter: (Past 7 years)		30	60	90+	Derog							
		0	0	0	0							
Worst Delinquency:												
Worst Delinq Date:												
Months Reviewed:		64										

Key Observation Points:

- The account information is highlighted in green, which means that the account is unsecured.
- The credit limit is \$14,000 and the high balance was \$13,854.
- The current balance of \$13,854 is close to the card's credit limit.

Discussion Question

- How would you address this with the prospect? What questions could you ask them?

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Unsecured Loans

HUDSON VALLEY CREDIT U / 1780252 / FC - Credit Unions														
Open Date	Original Amount	Status Date	Past Due	Last Paid Date	Scheduled Payment	Actual Payment	Balance Date	Current Balance						
10/05/2021	\$5,000	01/01/2022	\$0	01/20/2022	\$174		01/31/2022	\$4,891						
Account Condition:	Open account							Account #:	1000490470102					
Payment Status:	Account in good standing							Responsibility:	Individual					
Account Type:	Unsecured Loan							Account Terms:	36 Month					
Payment History: (Up to 25 months)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Delinquency Counter: (Past 7 years)	30 60 90+ Derog
	2022	C											0 0 0 0	
	2021												Worst Delinquency:	
	2020												Worst Delinq Date:	
													Months Reviewed: 04	

Key Observation Points:

- The account information is highlighted in green, which means that the account is unsecured.
- There is nothing wrong with taking unsecured loans and if this is a single account, this may not be a problem. However, if there are other accounts that are near-maxed and you see this unsecured loan, it most likely could mean that this prospect is using the money from this loan to pay bills or for other essentials. Ultimately, this prospect will most likely call looking for another loan because they may not understand that they shouldn't create debt to pay debt.

Discussion Question

- How would you address this with the prospect? What questions could you ask them?

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High Interest Rate Lenders

UPSTART NETWORK INC. / 2654030 / FP - Personal Loan Companies									
Open Date	Original Amount	Status Date	Past Due	Last Paid Date	Scheduled Payment	Actual Payment	Balance Date	Current Balance	
08/12/2021	\$8,500	02/01/2022	\$0	02/12/2022	\$188		02/12/2022	\$8,150	
Account Condition:	Open account								Account #: L1558998
Payment Status:	Account in good standing								Responsibility: Individual
Account Type:	Unsecured Loan								Account Terms: 60 Month
Payment History: (Up to 25 months)	Jan 2022	Feb C	Mar C	Apr	May	Jun	Jul	Aug	Sep Oct Nov Dec
									Delinquency Counter: (Past 7 years) 30 60 90+ Derog 0 0 0 0
									Worst Delinquency:
									Worst Delinq Date:
									Months Reviewed: 06

Key Observation Points:

- High interest lenders are generally only used when traditional lenders will not approve loan requests.
- This prospect will most likely call looking for another loan because they may not understand that they shouldn't create debt to pay debt.
- When we think about the original loan amount, the monthly scheduled payment, and the account terms, we can discuss what that means with our prospect in regard to how much they could pay over time.

Discussion Question

1. How would you address this with the prospect? What questions could you ask them?

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The Truth Shall Set You Free

After we review the main points of financial distress, we help our prospect understand these two truths:

1. Their credit is compromised.
The financial distress is apparent on their credit report. It tells the story of someone who is dependent on credit; someone who is using credit to make ends meet.
2. A loan may not be their best option. It could be difficult for them to qualify for a loan. Even if they were approved, the terms could make their situation worse than it is now.

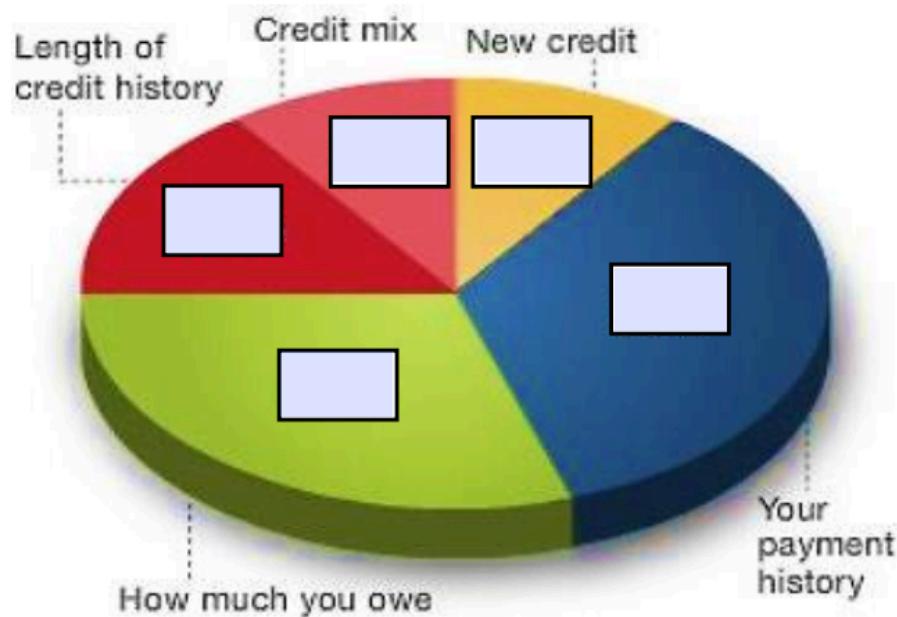


The credit analysis is the key to helping people see the truth of their own needs. We need to be able to successfully identify financial distress, effectively communicate that distress to prospects and help them understand what it means and connect the distress we uncovered to their credit worthiness and lendability.

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Knowledge Check – Section 7

1. In the pie graph pictured below, fill in the correct percentages for each item that contributes to the overall credit score.



2. What are the key components of financial distress?

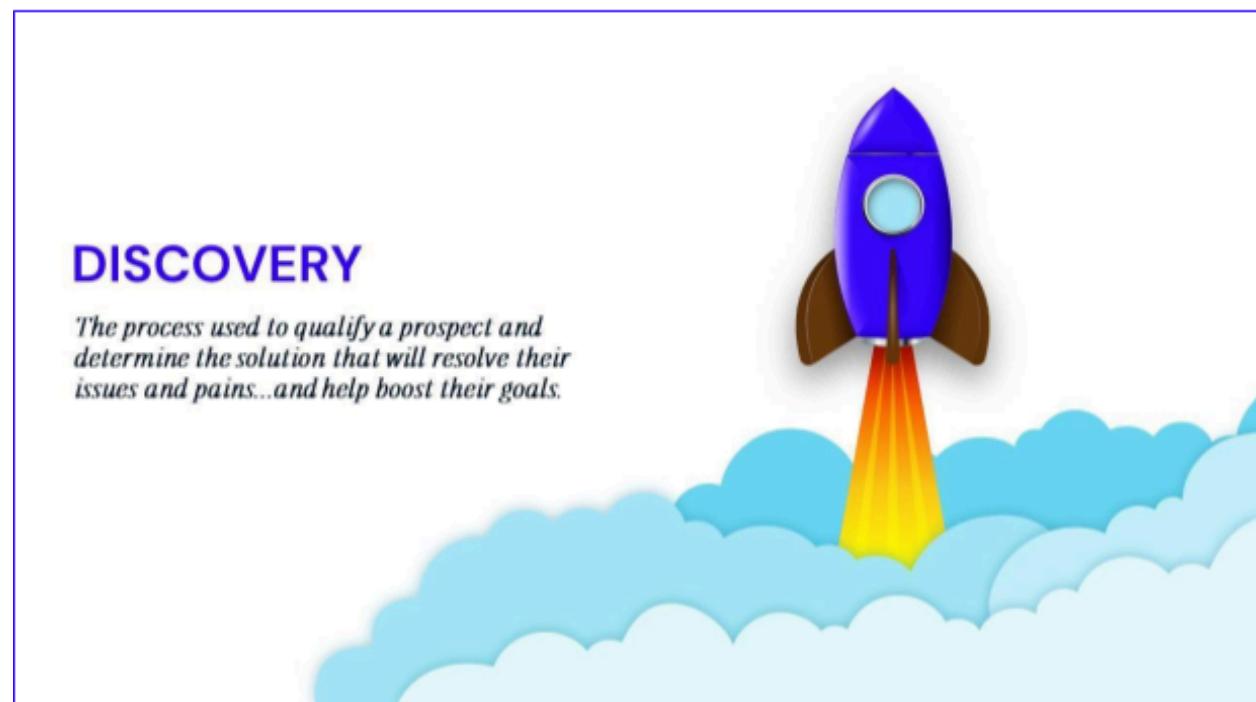
- a.
- b.
- c.
- d.
- e.
- f.

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Section 9: Soft Skills and Sales Techniques

Discovery

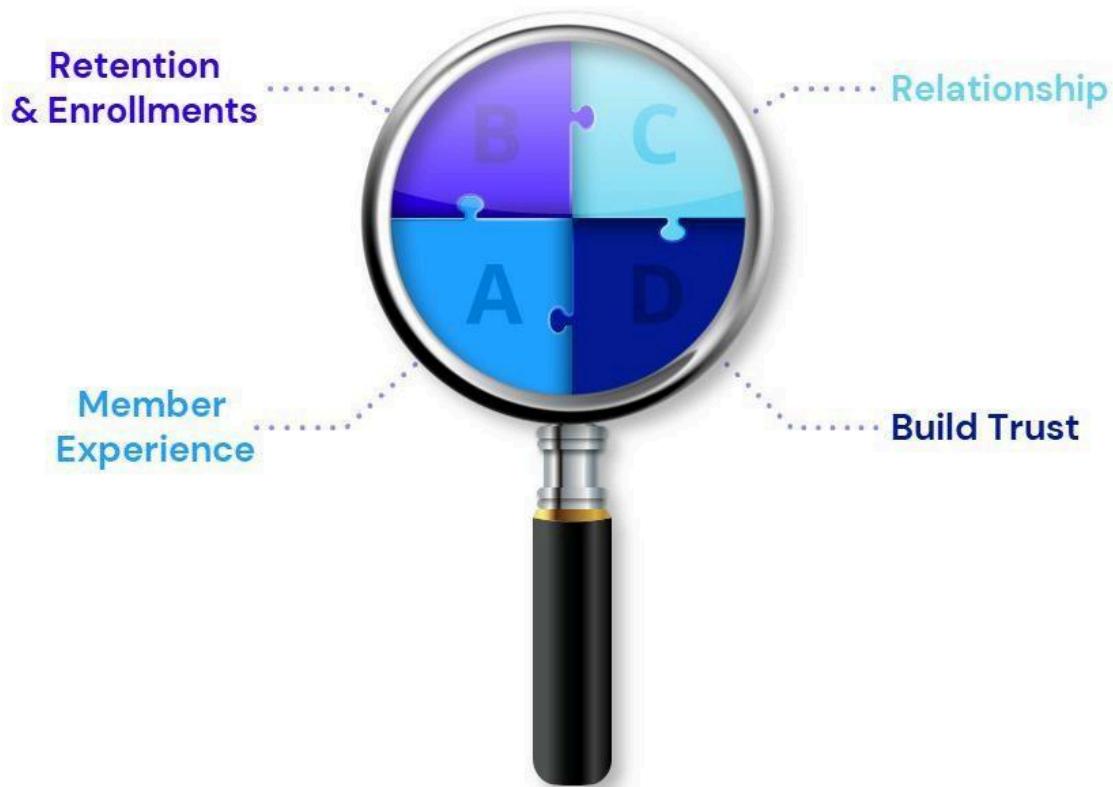
During the Discovery phase of our sales process, debt consultants determine if their prospect is a good fit for our program. The prospect determines if they need help, and the debt consultant builds rapport with their prospect. It's kind of like having lunch with a friend you haven't seen in quite some time. You ask, "what have you been up to?" or "what's new?" When your friend responds, you ask a follow-up question based on their response. Rinse and repeat! Our "choose your own adventure" conversation has begun!



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Benefits of Discovery

Pictured below are some of the benefits of Discovery. What are some other benefits of the Discovery process in sales that aren't shown here?



The Discovery Process is so crucial for a successful consultation with your prospects. When used properly, you will gain insight to your prospect's financial situation – past, present and future. It will also help the prospect truly discover the pain points that need immediate attention.

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You will learn more about the Discovery Process when the Initial Call Script is discussed in class, however, it's never a bad idea to practice your discovery skills by asking questions! Here's a sneak peek of some discovery questions that debt consultants ask prospects today:

Discovery Question	Examples of Follow -Up Questions
<ul style="list-style-type: none">• What are you hoping to accomplish today?	<ul style="list-style-type: none">• When you say you want to consolidate, what does that look like for you? (lower payments, lower interest, saving more money, etc.)
<ul style="list-style-type: none">• How did this debt accumulate?	<ul style="list-style-type: none">• Was there a loss of income or job loss that occurred with that, as well?
<ul style="list-style-type: none">• What options have you already looked into?	<ul style="list-style-type: none">• What was the outcome from that loan application?
<ul style="list-style-type: none">• Are you current or behind on your payments with your creditors?	<ul style="list-style-type: none">• Are you worried you will become late or fall behind in the next few months?

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Sales Techniques

Empathy, active listening, and discovery are all crucial components of a consultative sales approach. When executed with care, your prospect will trust you and then you will have their permission to educate them on their current financial reality.

Let's go over some techniques that, when used properly, will benefit any sales professional.

Before you call

- Be current on our industry and our program guidelines.
- Familiarize yourself with all debt options available.
- Know your call flow and scripts, keeping them readily available and easy to access.
- Have resources, such as job aids in SharePoint handy to help answer questions.
- Check your attitude and mood.
- Smile!

During the call

- Be confident! Dale Carnegie once said, "If I act enthusiastic, I will be enthusiastic." If a prospect hears that you are confident in our program and in your responses, they will be confident in you.
- Never lie or mislead a prospect. If you do not know the answer to a question they ask.
- Organize your pipeline and be sure to adhere to all contact protocol guidelines.
- Overcome Objections
- More information will be provided in the section about objections.

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- Using the Feel/Felt/Found model when speaking with prospects helps with your rebuttals, but also shows that you're listening and empathizing.



After the call

Leaving an effective voicemail increases the likelihood of receiving a call back. All voicemails, pre-recorded or live, must follow the guidelines within our Contact Protocol, which is listed below.

- Never leave prohibited information in voicemails with prospects.
- Never use any prohibited practices when leaving voicemails for prospects.
- For more information regarding Voicemail Scripts, Can/Cannot Do's and examples, review the Voicemail Guidelines & Best Practices job aid in the Agent Google Drive.

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Section 10: The Initial Call

Member Experience

It must be hard on a prospect to call us and ask for help, and we want to make sure that we provide them with “Best in Class” service every time we speak with them.

Our goals for every call:



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What we need to convey to attain our goal

Genuine interest (active listening), empathy, understanding, trust and credibility. Our prospects must recognize that we are knowledgeable financial professionals who have their best interests at heart. They must be able to see they have a serious problem. They must believe that we have smart, safe, proven solutions to that problem.

The CLOSE call flow helps to convey these goals to prospects through our initial call. The CLOSE method breaks the initial call into the following five sections:

Step	Purpose
<u>C</u> onnect	Builds trust with the prospect and establishes a consultative approach
<u>L</u> earn	Discover a prospects financial distress and needs
<u>O</u> ptions	Establishes credibility and identifies an appropriate solution for the prospect
<u>S</u> ell	Buy-in on AR as their personalized solution
<u>E</u> xpectations	Prospect understands the next steps in the process



There is a CLOSE call flow document for reference provided to you in your Agent Google Drive.

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Discovery and the Initial Call

You learned that Discovery is the process used to qualify a prospect and determine the solution that will resolve their debt issues. There are many benefits of the discovery phase, and as you begin to review the Initial Call scripts, you'll notice that discovery is a crucial phase and a large part of the Initial Call.

We ask discovery questions for three main reasons:

1. The debt consultant determines if the prospect is a good fit for our program.
2. The prospect determines if they need help.
3. The debt consultant builds rapport with the prospect



Tip: Take notes while your prospect responds to discovery questions.

Include words or phrases they use to describe their financial distress and use their "language" while summarizing and paraphrasing. This will also show that you're listening actively!

The order and structure of Discovery is crucial to follow, and the psychology behind it includes the processes and timelines we've created to help a prospect comprehend the magnitude of their debt issue. This includes the consequences of inaction, which in turn, helps prospects realize they may need our help! It is because of this, we ask questions about a prospect's **PAST**, **PRESENT** and **FUTURE**.

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Quality Assurance

Quality Assurance measures exist for two very specific reasons:

1. To ensure compliance with federal guidelines such as the Telemarketing Sales Rule and other industry regulators. Compliance and legal concerns are of the utmost importance to us and penalties can be levied against businesses that fail to take active steps to mitigate legal exposure.
2. To ensure that the member experience is in line with our core values and is consistent for the treatment of all members.

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Knowledge Check – Section 9

1. What is the disclosure that must be stated on all calls?

2. In the CLOSE call flow, which of the following best describes the LEARN phase?
(Check all that apply.)

- Identify appropriate solution
- Establish a consultative approach
- Buy in on our program as the personalized solution
- Align on financial distress/needs

3. What is the overarching question for Discovery?

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Cash Flow Assessment (CFA)

Complete the Cash Flow Assessment making sure to enter a value in every area. You can enter a "0" or N/A if the prospect states that they do not have an expense in a category.

Client Financial Analysis		
Estimated Monthly Income	Client	Co Client
Net Employment Income	6000	0
Self Employment/1099 Income	0	0
Social Security	0	0
Unemployment	0	0
Alimony	0	0
Child Support	0	0
Other Gov't Assistance	0	0
Annuities	0	0
Dividends	0	0
Retirement	0	0
Other Income	0	0
Other Income Justification		
Combined (App & Co-App Monthly Income)	\$6000	
Estimated Monthly Living Expenses	Amount	Justification
Does Prospect rent or own?	Rent	
Housing Expense (rent or mtg) *	2400	
Medical out of pocket expense	0	
Transportation *	1200	
Food *	780	
Dependent Care	0	
Utilities	240	
Personal Care, Household and Misc	0	
Legal and Court Ordered Expense	0	
Other Expenses	0	
Total Estimated Monthly Living Expenses	\$4600	
Estimated Monthly Debt Expenses	Amount	
Government Student Loans (non Deferred)	0	
Private Student Loans (non Deferred)	0	
Medical Debt	0	
Business Debt	0	
Other Debt Expenses	0	
Other Debt Expenses Justification		
Total Estimated Monthly Debt Expenses	\$0	
Income and Expense Summary		
Total monthly income	\$6,000	
Total monthly expenses	\$4,600	
Program Deposit	\$448	
Estimated Monthly Disposable Income	\$952	
Negative Cashflow		
Specify Other		

Section 11: Program Objections

Though our debt resolutions program works and is proven, we still receive quite a few objections when trying to enroll prospects. A successful debt consultant needs to know these objections and how to overcome them.

Four Steps to Overcoming Objections

	Listen fully to the objection. The first response when an objection is heard is to jump right in and respond. Resist this temptation! When you react too quickly, you risk making assumptions about the objection. Actively listen to the objection.
	Understand the objection completely. Many objections hide underlying issues that the prospect can't or isn't ready to articulate. The true issue typically isn't what they first tell you. Get to the heart of the objection, and fully understand it and its true source.
	Respond properly. It's important that you understand common objections that DCs encounter so you can respond with empathy, confidence, and knowledge of the objection and how to overcome it in a way that leaves the prospect satisfied.
	Confirm you've satisfied the objection. Once you've responded to the prospect's objections, check if you've satisfied all their concerns.

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Most Common Objections



Credit Impact

Most of your prospects will have concerns about our program once they learn that they'll need to voluntarily discontinue paying their creditors. Understandably, those concerns become objections, which is where you come in. Always remember to use the LURC model when a prospect expresses an objection.

Tips:

- Know the prospect's **TRUE FINANCIAL SITUATION** so you can discuss the credit impact in relation to their financial goals.
- Review the prospect's credit report so you can present a well-informed picture of their current credit and financial situation.
- Acknowledge the prospect's credit concern. It's normal. Then, close the concern by asking more discovery questions, coaching, and educating.

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- Compare their concern to achieving their stated financial goals and improving their overall financial health.
 - Example: If their stated financial goal is to be debt free in two years, but are concerned about their credit score decreasing, compare their goal with their concern so they realize that they'll need to take a few steps back to move forward.

Creditor Phone Calls

It's normal for our members to receive calls from creditors, but that can sound scary to some prospects. The key to success is knowing how to manage creditors, so while you're using the LURC model for this objection, you'll also want to comfort your prospect.

Tips:

- The client dashboard has some great resources including talking points to use while speaking to creditors. Talk to your prospect about that! The image below is an example of what they'll see:

Less is more

You don't have to answer every question a creditor asks. Keep the conversation short and simply tell them:

- You're experiencing a hardship
- You can't pay at this time, but you intend to pay when you can (don't specify when)
- Don't negotiate with them—our experts will handle that for you!

Don't give too much information

- Never give them any of your financial or banking information
- Don't give them information about your income

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What NOT to say

You should never say anything to a creditor that could make them think you are refusing to pay. For example:

- Don't say you refuse to pay them
- Don't say when you'll pay them
- Don't tell them to stop calling you

Say this instead

- "I have a hardship but intend to pay as soon as I can."
- "Your calls are causing me extreme stress."
- "Don't call me at work."
- "Update your records to note that I want to pay, but just can't pay now."
- "I'm planning on making sure you get paid. Put that in your notes."

Note: You may get calls from debt collectors if your creditor sells the account to a debt collection agency. Simply handle these calls the same way.

Tax Implications

When our program saves a member more than \$600 on an enrolled debt, that money could be considered income by the IRS. If a creditor on one of the resolved debts reports the account as forgiven to the IRS, our member will receive a 1099-C "Cancellation of Debt" form, which outlines the amount saved. In these circumstances, prospects may need to include the amount listed on that 1099-C as income when filing taxes. However, if the prospect was insolvent at the time of the account's settlement, meaning that their total liabilities outweighed their total assets, they may be able to exclude this amount. If so, they'll need to fill out **IRS Tax Form 982**. As with all such tax matters, members should consult a tax professional for assistance and information about their specific situations.

The client dashboard includes the above information in addition to helpful videos your prospect can watch which should help ease their mind. When a prospect shows concerns about the tax implications of our program, it's important you provide reassurance (see table below for some Do's and Don'ts).

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DO Say:	<p>"If you do receive a 1099, you can contact our Customer Service Team and they will be happy to point you in the right direction."</p> <p>"We send an email at the beginning of the year that provides you with more details about the 1099 and IRS Form 982, as well."</p>
DO NOT Say:	<p>"None of my clients have ever received a 1099-C from their creditors and it's unlikely you'll receive one, as well."</p> <p>This statement is not true. Most clients will receive at least one 1099-C. Don't sugarcoat.</p>

Legal Implications

Creditors have the right to send debts to a debt collection law firm to collect a debt. If this happens to our members, we'll continue negotiating to settle the debt, although these kinds of debts often have higher settlement percentages than typical accounts. In the event a creditor takes legal action (sues the member), and if our member makes all program deposits on time and in the full amount, the Legal Partner Network can provide representation for our member. Additionally, there are no additional fees for attorney services. The member will be responsible for court fees and related costs, however.

It is important to keep in mind that we are not a law firm, and you cannot provide legal advice or legal representation. The Legal Partner Network handles that.

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Industry Scam

In some cases, a prospect may have inaccurate information pertaining to the Debt Resolutions Industry. After all, our program can seem "too good to be true" for some prospects. Listed below are common myths about our industry along with facts that can be used as "MythBusters" if a prospect objects to enrolling based on their "scam" mindset.

Myth	Mythbuster (Aka Fact)
The debt resolutions industry is unregulated, allowing predatory companies to operate without consumer protection.	The debt resolutions industry is highly regulated by the U.S. Federal Trade Commission, and in 2010, the FTC strengthened its regulation through revisions to the Telemarketing Sales Rules (TSR).
There is no way to track whether a debt resolution company is following the rules or negotiating in the best interest of the consumers.	We are required to adhere to all Federal Trade Commission consumer protection guidelines, which: 1) Prohibit upfront fees; 2) Require companies to disclose fundamental aspects of their services, including how long it will take to get results and how much it will cost; and 3) Prevent companies from misrepresenting their services.
Members are forced to turn over their private financial information, trust, and future well-being to the debt resolution companies before a case is considered, which leaves members with almost no power to back out.	Members can withdraw from their engagement with us because debt resolutions companies never have custody of their members' funds. However, we have access to the necessary information to work with creditors to design affordable settlements. Members have the right to reject or withdraw from these agreements at any time, for any reason.

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Debt resolution is just a scam that does not improve consumers' financial well-being.	Debt resolution companies provide considerable benefits to consumers relatively quickly. Members generally see initial account settlements within 4-6 months of starting a debt resolutions program. More than 96 percent of settlements result in more significant debt reduction than members' related fees. Additionally, our company is a founding member of the American Fair Credit Council, a leading association of consumer credit advocates. We're an accredited member of the AADR, and our business is operated according to the laws and regulations governing the debt resolutions industry.
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Delay – Spouse Approval

Authority-based objections happen when a prospect doesn't feel confident making an on-the-spot decision. It's a stalling tactic. And, often, when someone says, "It's not my decision," what they really mean is "I have reservations; I don't feel comfortable making an independent choice." Our Initial Call Script helps minimize the possibility of this objection occurring, however, the reality is that uncertainties do still pop into our prospects' minds.

The Initial Call Script includes a question that is so important for you to ask:

- "**Are we just focusing on your debt or is there another member of your household who needs help with debt as well?**"

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You may also ask:

- **"Before we begin, is there anyone else in the household who helps you in making financial decisions?"**

If your prospect answers "no" to both of those questions, there shouldn't be a "let me talk to my spouse" objection, theoretically, and therefore, if that objection does emerge, there's a good chance the prospect has uncertainties about something. That's where LURC comes in!

Ask Questions	Ask some more questions, so you can be sure that the prospect REALLY needs to speak with their spouse, or if there's some other concern that they aren't discussing with you. <ul style="list-style-type: none">• "What questions do you think your spouse will have about the program?"• "What additional information do you need before making a choice?"• "What concerns do you think your spouse might have if any?"
Offer to Conference Call	See if your prospect's spouse is available at that moment. Reassure your prospect that they have you on the phone now, with all the information necessary - from the debt options to program details. If their spouse has a question that your prospect doesn't have the answer to, you'll be there to respond. You can also tell your prospect that if the two of them need a few minutes to discuss the program in private after the spouse is on the phone, you're happy to call them back after five minutes (or however much time they might need).

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Set Up a Joint Appointment

You might not land the sale at this very moment, but you can keep the process moving forward by arranging a joint meeting later. Get those other decision makers on the phone, and your prospect will feel more confident the next time around.

- “**I absolutely understand. Could we set up a call with your spouse?**”

It's important that you don't push too hard with your prospect. Remember, their financial situation could be a very sensitive subject for them to discuss, so if you've exhausted all options at this point, set the appointment for a callback.

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Moral Obligation

"I feel morally obligated to pay back the money I borrowed and spent."

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. Although this objection is not as common today as it used to be, there are still some prospects that feel like they'd be stealing from their creditors if they enrolled in our program.

There are a couple of ways to overcome this objection:

Moral Obligation vs. Moral Obligation	<p>Members that enroll in our 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 our program, our team of negotiators work together with creditors until both parties agree on an amount. Our members get to fulfill their obligation to their creditors AND keep their family financially safe.</p>
Show the Numbers	<p>Say:</p> <ul style="list-style-type: none">• "If we look at the numbers with your debts again, you've been paying at least \$XX each month for XX months now. If we add up all of those payments, I'm guessing the creditors have already received what you've borrowed (and possibly twice/thrice as much)."• "If you keep doing what you've been doing, what do you think will happen to your balances owed? What's happening to your potential savings in that case? Have the creditors been paid the amount you borrowed still?"

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Knowledge Check – Section 10

1. List and explain the four steps to overcoming any objection.

2. Which objection do you feel most comfortable with and why?

3. Which objection do you feel least comfortable with and why?

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Section 12: The Program Summary Call

Overview

The Program Summary Call has four phases:

Opening	<ul style="list-style-type: none">• Complete the client verification (this must be done first)• Advise of program approval• Set the agenda for the call• Review the financial hardship
Settlement, Estimate, and Savings	<ul style="list-style-type: none">• Review the program estimates• Review the program, deposit and fees
Underwriting Conditions	<ul style="list-style-type: none">• Review all UW conditions, ensuring they have all been acknowledged and satisfied when necessary
Enroll and Last Step	<ul style="list-style-type: none">• Review the program details• Complete the enrollment process• Complete the last step

Our goals for every call:

- Provide a consultative evaluation of the approval
- Make sure that the approval numbers put your prospect in a better financial situation
- Supply all information regarding our program
- Make sure the prospect has a clear understanding of the process and is comfortable
- Gather all the pertinent information to complete the enrollment

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Legal Partner Network

While prospects are moving through the process of resolving their debt, some creditors may choose to take legal action (sue them in court) to collect on the debt. To address this, we have engaged a legal partner network which prospects are enrolled into automatically with their enrollment into our program.

The Legal Partner Network (LPN) is a network of law firms and attorneys across the country who may represent qualified members in debt negotiation and debt resolution litigation. Members qualify by making **all of their program deposits on time and in the full amount**. We will then provide access to attorney representation through this Legal Partner Network. This service is included in the member's program fees. However, the prospect will be responsible for court fees and related costs, if applicable.



Qualifications

- The account must be enrolled in the member's program before litigation is initiated.
- At the time the member provides documented notice to us, they must have made all of their program deposits on time and in the full amount (as scheduled in their Debt Resolution Agreement).
 - Consistent deposits are crucial to the overall



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program success and create negotiating leverage for attorneys to work on a member's behalf.

- For a law firm in the LPN to negotiate a settlement on a member's behalf, there must be enough funds available in their dedicated account to negotiate a settlement.

Right of Offset and Cross Collateralization

Right of Offset

During the UW Conditions portion you will ask the prospect if they bank with any of their unsecured loan creditors (any creditors they are enrolling into the program). The reason behind this is that if they do, they may be subject to the creditors "Right of Offset". This is the legal right of a bank to seize deposited funds to cover a loan that is in default.

The Federal Reserve Board's Regulation Z bars financial institutions from applying the right of offset to credit card debts. However, if it's spelled out in the account agreement, the right of offset applies to credit unions' mortgages, car loans, small dollar loans or other signature loans.

Cross Collateralization

Cross collateralization is a method used by lenders (mostly credit unions) to use the collateral of one loan, such as a car, to secure another loan you have with the lender.

While that may appear to be a reasonable precaution taken by the lender, borrowers often do not realize the amount of control the lender has over their finances when it is exercised. It can keep you from being able to sell your car if the lender wants you to keep it as collateral.

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If you fall behind on another unsecured loan or a credit card, the lender can tack on the missed payment to a secured loan or ask for the collateral (vehicle, house, etc.). If you file for Chapter 7 bankruptcy, you could be required to relinquish your car to the lender until your outstanding debts have been satisfied.

Quality Assurance

Quality Assurance measures exist for two very specific reasons:

1. To ensure compliance with federal guidelines. Penalties can be levied against businesses who fail to take active steps to mitigate legal exposure.
2. To ensure that the member experience is in line with our core values and is consistent for the treatment of all members.



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Knowledge Check – Section 11

1. Which item(s) listed below is NOT one of the four goals of the Program Summary Call? (Select all that apply.)
 - a. Provide a consultative evaluation of the member's approval
 - b. Make sure approval numbers put prospects in a better financial situation
 - c. Review all Discovery questions you asked during the initial call
 - d. Make sure the prospect has a clear understanding of the process and is comfortable

2. In the Program Summary Call script, items noted in green are ____?
 - a. Instructions for the DC
 - b. Areas to insert the prospect's information
 - c. Items to discuss (not verbatim)
 - d. Items to discuss (verbatim)

3. In the Program Summary Call script, items noted in red are ____?
 - a. Instructions for the DC
 - b. Areas to insert the prospect's information
 - c. Items to discuss (not verbatim)
 - d. Items to discuss (verbatim)

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4. In the Program Summary Call script, items noted in blue are ____?
 - a. Instructions for the DC
 - b. Areas to insert the prospect's information
 - c. Items to discuss (not verbatim)
 - d. Items to discuss (verbatim)

5. In the Program Summary Call script, items noted in gray are ____?
 - a. Instructions for the DC
 - b. Areas to insert the prospect's information
 - c. Items to discuss (not verbatim)
 - d. Items to discuss (verbatim)

6. What are the benefits of the Legal Partner Network?



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Section 13: Enrollment Agreement

To enroll in our program, the prospect must sign the Debt Resolution Agreement (DRA). This is typically done using DocuSign, which is a great tool for making sure the potential member signs and initials the agreement in all of the required places.



Best Practice: Walk the prospect through signing the enrollment agreement. There is a walkthrough of the DRA in your Agent Google Drive.

Enrollment Agreement Item	Description
Debt Resolution Agreement Estimated Costs	<p>The “Estimated Costs” page includes a Program Summary table that clearly communicates the benefit to the client of the AR Program in comparison to them continuing to make minimum payments to their creditors. Four areas to note within the table include:</p> <ul style="list-style-type: none">• Your Enrolled Debts – This column is intended to give the client a look at their current debt situation based on the debts they are enrolling.• Estimated Time: Minimum Monthly Payment – This last item in the first column is based on the estimated minimum monthly payment for each account being enrolled into the program, this field will update with the number of months to pay off those debts paying only the minimum payment.• Your AR Program – This column summarizes the client's AR program, including the amount they'll pay in settlement fees, their monthly deposit, and the estimated length of the program.• AR Program Benefits – This last column compares the AR program against the enrolled debts to summarize the impact the program can have.

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Enrollment Agreement Item	Description
Debt Resolution Agreement & Guarantee	<p>Agreement between the client and AR making the client's enrollment into the Debt resolution Program official. One major thing to note about this section is that it contains the Program Guarantee. When a client chooses to enroll in our program, our objective is to help them pay less than they currently owe on their enrolled debts over the life of their participation in the program. To show our clients we mean this, we are adding a guarantee to the agreement.</p> <p>This program guarantee is standard in every DRA and highlights our commitment to clients that we will refund a portion of our fees following graduation if the AR program settlement costs exceed the enrolled amount of settled debts.</p> <p>The guarantee takes effect when a client graduates from the program or if they leave before graduating. When they exit the program, we will use the combined total of all debts enrolled and settled along with the fees paid to us to calculate eligibility for refund.</p> <p>The guarantee covers all debt accounts enrolled as long as the accounts aren't withdrawn from the program, advances aren't taken on the account and more debt isn't added to the account. The program guarantee is meant to be simple and apply to all accounts that are settled as part of a client's AR program. If a client removes an account before we've reached a settlement, it will not be included because no fees will have been charged on that account.</p>
Client Acknowledgements and Waivers	Waivers may be required for any of the following reasons: Same banking institution, Co-applicant / joint account, Certain creditors, depending on current AR criteria, Legal waiver for old judgments (those with no activity for the past six months)

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Exhibit A - Schedule of Creditors and Debts	Lists all the creditor accounts, type of debts and correct balances for each account being enrolled into the AR program.
Exhibit B - Direct Debit Authorization	Authorizes AR to have fees debited from the Dedicated Account when a debt is settled. This includes an explanation of AR's Insufficient Funds (NSF) policy and the notice that a fee is charged for changing the draft date or amount or deferring a draft.
Exhibit C - Authorization to Communicate with Creditors and Collection Agencies	Authorizes AR to communicate with the client's creditors on the client's behalf for the purpose of negotiating settlements of debt obligations and to obtain records, debt validations, credit reports and support for the debts allegedly owed.
Exhibit D - Dispute Resolution by Binding Arbitration	Notice of agreement to arbitrate in the event of disputes over the agreement or in cases of breach, termination, enforcement, interpretation, or validity of the agreement.
Exhibit E – Personal Cash Flow Assessment	A copy of the personal cash flow assessment as prepared during the application to enroll in the AR program based on the information the client shared with us.
Exhibit F – Lawsuit Representation – LPN	Overview of and disclosures that must be acknowledged by the client pertaining to the Legal Partner Network.
Special Purpose Account Agreement	Banking agreement for setting up the Dedicated Settlement Account, along with the monthly draft amount and draft date information. Bank fees are disclosed here.
AR Privacy Policy	Information regarding the sharing of personal information.
AADR Uniform Program Disclosure Statement	Disclosure that notifies our clients that Achieve Resolution is a member of the AADRC and has agreed to follow the industry "best practices" as endorsed by the AADR.
Power of Attorney	Power of Attorney for the Legal Partner Network which gives the appropriate law firm the right to represent our clients in court or during any other legal proceedings in connection with all debts enrolled into the program.
Notice of Right of Cancellation	Notice of the right to cancel enrollment in the Achieve Resolution Program.

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