

## Title:

Beware of Debt Counseling Frauds

## Word Count:

523

## Summary:

Everywhere in the world today, people are becoming submerged in debt. Everywhere you look, it is possible to purchase today and pay tomorrow, consumers are steadily falling into this trap everyday, and before they know it, they are so far in debt they are unsure how to get out. This is where debt counseling comes in...

## Keywords:

debt counseling

## Article Body:

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Everywhere in the world today, people are becoming submerged in debt. Everywhere you look, it is possible to purchase today and pay tomorrow, consumers are steadily falling into this trap everyday, and before they know it, they are so far in debt they are unsure how to get out. This is where debt counseling comes in; however you need to be made aware of debt counseling frauds. Some are only in place to take your money. <br><br>

Legitimate debt counseling companies do not claim to be not-for-profit if they are not. There have been cases where a company has claimed this and ended up swindling their client's money. There are ways to protect yourself; you should check a debt counseling company's reputation thoroughly before investing your time and effort into them.<br><br>

Never conduct business with a company that requires any upfront fees or asks you for voluntary contributions. This is a red flag, legitimate debt counseling companies advise you on money management, budget development, debt and educational material and occasionally workshops.<br><br>

Essentially, it is none of their business regarding the details of your situation or requires you to be approved. They should discuss your financial situation and help you in developing a plan to eliminate the problems.<br><br>

You can also check your local government agency or better business bureau, to

ensure that they are indeed legitimate and no complaints have been filed against them.<br><br>

The other things that will tell you rather or not a debt counseling service is legitimate include the following things. If they promise lowered payments, leave, only interest rates can be lowered not payments. If they ask you for your account numbers prior to giving you a quote, this is not necessary at all. If they group the quotes together instead of giving you a breakdown of how each creditor will be handled, this will leave you with no idea of how long it will take to pay off each account.<br><br>

There are also questions you should always ask when choosing a debt counseling service. These questions should include charges for educational material, a disclosure in writing of fees that are charged, if they are properly licensed to do business in your area, what will happen if you cannot afford their fees, what type of services do they offer and if the counselors are certified and who certified them. This is your money and your financial well-being, do not leave any stone unturned.<br><br>

There is a new bankruptcy law that makes filing bankruptcy harder for everyone. To file a chapter 7 will be nearly impossible if you are currently employed. They have formed a test that you will have to pay showing that your income is less than the median income for your area. Along with these new laws, it has become required to obtain debt-counseling services when filing bankruptcy.<br><br>

Choose the debt counseling company very carefully and ensure they are legitimate. You do not want to cause more harm or damage to your credit, so choose reputable companies wisely.<br><br>