

Title:

Debt Consolidation Companies: Common Pitfalls to Avoid

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416

Summary:

It's difficult not to notice the incredible growth that there has been in companies offering debt consolidation programs and solutions over the past few years. At first, debt consolidation companies were some of the biggest advertisers on the internet and there are now more loan consolidation TV commercials than we've ever seen before.

Keywords:

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Article Body:

It's difficult not to notice the incredible growth that there has been in companies offering debt consolidation programs and solutions over the past few years. At first, debt consolidation companies were some of the biggest advertisers on the internet and there are now more loan consolidation TV commercials than we've ever seen before. However, a great number of these debt consolidation companies are now being sued by numerous attorney generals, the IRS, and the FTC over their supposed 'non-profit' status.

One of the worst debt consolidation companies has actually had a federal lawsuit filed against it and the FTC and five individual states have filed separate lawsuits against the company. This company declared Chapter 11 bankruptcy but the reality is that they have not gone out of business themselves, they have simply changed into so many other companies that they are most likely around in some form.

Interestingly, many companies do not call themselves 'debt consolidation companies' anymore because of the bad press that all of the legal action against this first company generated. You may hear of 'debt negotiation' companies or 'debt settlement' companies who are basically 'debt consolidation companies' who are using illegal tactics and should be avoided.

You can check out any debt consolidation companies, or any other company for that matter, with your local consumer protection agency and the Better Business Bureau in the company's location. Be aware that debt consolidation companies

with a good rating may mean absolutely nothing. In fact, over 75% of the complaints received by the Better Business Bureau do not count against the company's rating if the complaint is considered resolved. The Better Business Bureau has no authority to investigate complaints against debt consolidation companies, nor resolve them.

One particular word of advice is to avoid any debt consolidation companies who have a registered address in Maryland or Florida. This is because these two states do not regulate debt consolidation companies. There are so many debt consolidation companies available that if you really feel that this is the best course of action for you then avoiding those in Maryland or Florida should be simple and will save you the worry of dealing with a disreputable organisation.

You can find a number of websites that offer a customer review section for debt consolidation companies. This is worth checking out to see if customers of any of the debt consolidation companies that you are considering signing up with have had problems dealing with them in the past.