

# **The 10 Most Important Questions to Ask if you are considering Credit Counseling or Debt Settlement**

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Thank you for requesting this free resource. You may not realize it but this is your first step to a Debt Free Life!

If you are at the point of considering talking to a Credit Counseling Organization, Debt Consolidation, Debt Settlement or some other organization that says they can help you pay off debt, there are some very important questions that you **MUST** ask that virtually no one asks. These questions will give you some basic information that you need to make an educated decision on whether or not you wish to move forward and do business with these companies.

I will warn you that the answers to these questions will surprise you! Most of the companies who are out there masquerading as Consumer Advocates are nothing more than profit hungry opportunists who are more interested in collecting checks from you than helping you pay off debt and improve your credit. In most cases, these companies will ruin your credit and take money from you that could better be used paying down your debt or saving your house from foreclosure.

Sometimes it is hard to tell what a company really does, or can do for you. Most Debt Settlement companies want to portray themselves as Credit Counselors who can save your credit. So the first question we want to ask because it is very important that you know what you are getting into and what the company can really do for you based on their status. My students know there is a BIG difference between a Credit Counseling company licensed to do business in your state and a Debt Settlement Company. The end result could be devastating to your wallet, credit score and personal stress level.

Remember, though they may call themselves by a variety of names that sound helpful like Credit Counselor, Financial Counselor, Debt Relief Counselor, etc., remember that you are really speaking to a Sales person that gets paid for signing you up so their answers are all designed to put you at ease and get you to sign up. Some very unscrupulous companies will train their agents to lie. Most others teach their salespeople how to avoid directly answering your tough questions by redirecting you or asking you questions to move you away from a topic they don't want to discuss. It is unfortunate but you must approach this just as you would if you were buying any other service or product. Question all claims made by the salespeople and make sure you understand every aspect of what is required of you financially and otherwise.

1. Are you a Credit Counseling Company or a Debt Settlement Company?
2. What will your service cost me? Monthly?

3. Are there any set up fees?
4. What will happen to my credit card accounts if I work with you?  
  
Will they be closed?
5. What will happen to my credit score if I work with you?
6. How much of my monthly payment is going to pay off my debts  
  
and how much are you keeping? Why are you keeping so much?
7. Can my creditors still take legal action against me to collect my  
  
debts?
8. How quickly will your plan get me Totally out of debt and how  
  
much in total fees will I have paid to your company by the end of  
  
the agreement?
9. Is your company paid any fees, Fairshare( a nicer way to say  
  
Collection Fee), or other payments by creditors?
10. Are you approved to do business with my Banks?  
  
The major Banks and Credit Card issuers will not do business with  
  
just company that calls itself a credit counseling organization.

Approved companies must meet high standards in the way their business is set up, financially, and with how much education they provide to their clients in order to be allowed to submit payments to the Banks and Credit Card companies.

Bonus questions:

1. Where is YOUR Company's office physically located?
2. Are you licensed to do business in (your state)?
3. If a Non-profit organization (Are you a registered non-profit credit counseling organization in (your state)? This is very important.

The states don't just approve anyone to do business.

4. Where will my Counselor be located?
5. May I come visit the office?
6. If a "Debt Consolidator" ask How do you plan to Consolidate my debts? What type of loan will you be using? Home Equity Loan?

Many of these companies want you to put your Home at risk to

pay off Credit Card Debt. This strategy may be a good one in some situations but never take the word of a loan salesperson make such an important decision for you and your family! A mistake here could end up costing you your home and you need guidance from an impartial mentor.

The more you know about these companies the better decisions you can make. Your goal is to get out of debt...not further into debt.

Avoiding opportunities to throw good money after bad is key. You also want to do the least damage to your Credit Score and reputation. Your Credit Reports are your Financial Resume and if you can limit or avoid damaging your Reports, this will help you get back on your financial feet.

Once you have these answers, make a decision and move forward. If I can be of any help to you, please feel free to contact me at [mike@mikeaboutmoney.com](mailto:mike@mikeaboutmoney.com). I would be honored to work with you

and your family. I have been where you are right now. I know what it takes to get you moving in the right direction to become Debt Free while causing the least damage if any to your good credit and good name.

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Mike Schiano, The DebtBuster, is the Author of Spend Your Way to Wealth, a Popular Radio Host and sought after speaker on the subject of Personal Finance Debt Relief and Building good Credit. Visit Mike's Blog at

**MikeaboutMoney.com.** Email your questions anytime to [mike@mikeaboutmoney.com](mailto:mike@mikeaboutmoney.com).