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Soldiers In Debt: From the Frontline to the Payday Line

Los Angeles (April 5, 2010)—Reliance on payday lenders, check cashing outlets, pawn shops and credit cards is turning members of the military into victims of extreme financial distress.

In reviewing research from AggData, reporters from the *Christian Science Monitor* found that the leading locations for payday lenders is at “Military Bastions,” (by military bases), which have a rate of about 15 payday lenders for every 100,000 households.

Yet, professional advancement, and even job security, can hinge on having a healthy credit report, especially when members of the armed forces need access to classified information. Thousands of U.S. troops are barred from overseas duty because they are so deep in debt they are considered security risks.

Concerns include the fear that soldiers in debt might be tempted to sell secrets or equipment to the enemy; financial problems can distract personnel from their duties or make them vulnerable to bribery and treason.

What can members of the military do to overcome debt and retain their security clearances?

The financial specialists at ClearPoint Credit Counseling Solutions recommend soldiers consider options other than relying on payday lenders, such as seeking a free credit counseling session. When a credit counselor reviews a client’s income and expenses, he or she can also make recommendations for how to best pay down debt such as decreasing expenses, increasing income, maximizing payments on credit cards with the highest interest rate, or joining a debt management program (DMP). A DMP is a systematic, step-by-step personalized repayment plan designed to help those drowning in unmanageable credit card debt pay off 100 percent of their debt.

ClearPoint Credit Counseling Solutions is a member of the National Foundation for Credit Counseling (NFCC) and a system-wide accredited business with the Council of Better Business Bureaus and a U.S. Department of Housing and Urban Development (HUD)-approved housing counseling agency. The organization has 11 branch offices in the state. Free appointments for credit, debt, budgeting and most housing-related issues may be made by calling 800-750-2227. For more about ClearPoint, visit www.ClearPointCCS.org.

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