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ClearPoint Credit Counseling Solutions: Consumer credit counselors warn against misleading debt settlement claims

Richmond, VA (April 28, 2010)—“We can settle your debt for pennies on the dollar!” “You may be eligible for debt settlement programs created in response to the volatile state of the economy and Governmental Economic Stimulus Act.” Or, “We’ll work with your creditors to reduce your total debt by at least 50%.”

Credit counselors at [ClearPoint Credit Counseling Solutions](http://www.ClearPointCCS.org) regularly hear their clients tell stories of how they fell for these types of sales pitches from debt settlement companies. “While they are big on promises,” said Bruce McClary, certified credit counselor at ClearPoint, “they’re short on delivery.”

McClary offers consumers considering debt settlement the following warnings:

- **Results often fail to meet even the most modest expectations.** Debt settlement is seldom as successful as the ads suggest. In September of 2008, the Federal Trade Commission (FTC) conducted hearings to investigate [debt settlement companies](#). The agency discovered that claims mentioned in the advertising were examples of isolated results. They concluded that unqualified claims to “reduce debts by up to 60%” were deceptive.
- **Debt settlement offers which suggest government sponsorship or affiliation mislead consumers.** Claims that imply connections with a government stimulus or a federal bailout misrepresents the fact that the debt settlement company is privately held and it offers the same product as any of its competitors. The most egregious of these offenders uses images of the President of the United States in television ads and direct mail solicitation that bears a close resemblance to a United States Treasury refund check and letter.
- **Be cautious when seeking help to get out of debt.** Even though you feel the heat from debt collectors and the high pressure sales tactics of those offering “help,” take time to examine and understand your options before making a decision. Informed consumers make wise financial choices.

McClary suggests, “A great way to learn about your financial choices is by seeking the free assistance of a non-profit consumer credit counseling agency. Agencies that clearly disclose their standards of practice and are listed with the Better Business Bureau (BBB) and the National Foundation for Credit Counseling are your best resource.”

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. Free appointments for credit, debt, budgeting and most housing-related issues may be made by calling 1-877-877-1995. For more about ClearPoint, visit www.ClearPointCCS.org.

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