Debt Management, Debt Settlement, Debt Collector

1. For a debt management plan:
   Who works together? ____________________________________________
   Who do you give money to every month? ___________________________
   Who pays your bills? ____________________________________________
   Which one is true?
   __ Debt management plans work for everyone. A credit counselor should tell you that you need one.
   __ Debt management plans work for some people. A credit counselor can help you decide if you need one.
   __ Debt management plans never work. A credit counselor should tell you not to get one.

2. For a debt settlement plan:
   Who works together? ____________________________________________
   What do the companies promise?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   What problems might happen?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

3. For a debt collector:
   Who hires the debt collector? _____________________________________
   How does a debt collector make money? ____________________________
   What are the rules for debt collectors?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   What does a validation notice say?
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
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Answer Key

1. For a debt management plan:
   
   Who works together? **You, the credit counselor, and the companies you owe money to**
   
   Who do you give money to every month? **The credit counselor**
   
   Who pays your bills? **The credit counselor**
   
   Which one is true?
   
   ___ Debt management plans work for everyone. A credit counselor should tell you that you need one.
   
   ____ Debt management plans work for some people. A credit counselor can help you decide if you need one.
   
   ____ Debt management plans never work. A credit counselor should tell you not to get one.

2. For a debt settlement plan:
   
   Who works together? **You and the debt settlement company**
   
   What do the companies promise?
   
   __ They can help you pay less and get out of debt
   
   __ They can get bad information taken off your credit report
   
   __ You should stop paying your bills and send money to them
   
   What problems might happen?
   
   __ You might owe more money, not less
   
   ____ They charge a lot of money and do not help you

3. For a debt collector:
   
   Who hires the debt collector? **The company you owe money to**
   
   How does a debt collector make money? **He gets money from you**
   
   What are the rules for debt collectors?
   
   ___ Can only call from 8 am to 9 pm
   
   ___ Cannot tell anyone else about your debt
   
   ___ Can talk to someone else only to get your address, phone number, or workplace
   
   ___ Cannot harass you
   
   ___ Cannot lie to you
   
   What does a validation notice say?
   
   ___ How much you owe
   
   ___ Who you owe the money to
   
   ___ What to do if you do not owe the money