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# 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?

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What problems might happen?

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## 3. For a debt collector:

Who hires the debt collector? \_\_\_\_\_

How does a debt collector make money? \_\_\_\_\_

What are the rules for debt collectors?

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What does a validation notice say?

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# Debt Management, Debt Settlement, Debt Collector – 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