

Research! Research study! Research!

You will hear me state this dozen of times. As a consumer, it is our obligation to be informed and notified. The lack of education, laziness, or in my case, DENIAL, gets us in trouble.

I swore to never once again be an uninformed customer. With that in mind, I put all of my efforts into discovering the best debt settlement options. I spent 4 weeks and about 40 hours on the phone speaking with different companies.

There is a barrage of details out there. Just by typing financial obligation settlement into Google, you will get 8,650,000 outcomes. Click [HERE](#).

Ridiculous. It is daunting to cull through these resources and understand what the hell they are providing. I put in the time to comprehend my options. My first calls were to the obvious huge companies like Credit Solutions, Ameridebt and CuraDebt. But I also looked into a few of the lesser-known business like Pacific Debt. Here was the standard offer:

- \* I was to transfer \$2000/month into an escrow account.
- \* The very first 6 months of these payments into that escrow account would go towards paying the financial obligation settlement business for their services.
- \* I would continue to make \$2000 payments for approximately 36 months.
- \* As settlement offers came in, they would consult me.
- \* The banks would be paid from this settlement account.
- \* In 36 months, I would run out debt.

At first, I was really fired up and relieved about a solution to my problem.

Below are the approximated savings and expenses from 2 of the companies I talked to. As you can see there is an amazing amount of difference. A great deal of that deals with the charges and the length of time you require to settle.

#### CuraDebt Plan

If they got a 50% savings on my \$130,000 of debt, it would take 41 months of \$2000/month payments to leave financial obligation. Overall expense consisting of settlements and charges:\$ 81,900.

If they got a 60% cost savings on my \$130,000 of financial obligation, it would take 36 months of \$2000/month payments to get out of financial obligation. Overall expense consisting of settlements and charges: \$71,500.

If they a 75% savings on my \$130,000 of debt, it would take 28 months of \$2000/month payments to get out of financial obligation. Overall expense consisting of settlements and charges: \$55,900.

#### PacificDebt

With \$130,000 of debt, it would take 46 months of \$2000/month payments to leave financial obligation. Overall

expense including settlements and costs: \$90,995.

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Pretty interesting stuff, ideal!?! After a few days, I saw something that didn't make sense:

\* Prior to I would decrease any of my financial obligation, the debt settlement business would increase my financial obligation usually of \$12,000 due to the fact that they earn money initially!

\* All of the business state the bank provides their best deals throughout the first 6 months - but according to their suggested schedule, I would have no money left in my escrow account at 6 months since all of that \$12,000 would go towards paying the financial obligation settlement business their costs. Which by the way, is for a service they have not even carried out. Let me repeat this due to the fact that it is critical.

The very best deals come at the 6-month mark. Despite the fact that I would have accumulated \$12,000 in my escrow account, I would not have actually any money left in there to pay the settlement offer because that money currently went to pay the financial obligation settlement business!!!!

Discuss the contradictions !? In many cases, customers get discouraged at that point. They leave of the program and declare personal bankruptcy. These financial obligation settlement companies prosper on our falling out of the program. They are predatory business much in the same way the credit cards are predatory lenders. Remember what I stated about educating myself? I would not be a victim a second time around.

So let's evaluation ... this is why most financial obligation settlement companies are scoundrels:

\* I pay the financial obligation settlement company \$12,000.

\* In 6 months, the bank makes an offer.



\* Given that I have no money in my escrow account, I ask the bank to spread the payments out over the next 6 months so I can have time to build up some funds.

\* The bank declines because the majority of their settlement offers have a 90-day payment time-frame.

\* Threatened by liens and judgments, I drop out of the program and state personal bankruptcy.

\* The bank crosses out my financial obligation.

\* The debt settlement makes pure revenue.

I proposed this contradiction to the representatives, but their action was foggy at best. Because I was utilizing the details they gave me to describe this contradiction, they didn't [century services nyc](#) have an answer that made

sense. Rather, they deflected my question by saying they can get a much better offer than I can get myself. WHICH IS ABSOLUTELY FALSE BY THE WAY!

It became clear that the representative was just a salesperson and had no REAL concept about this procedure. When registered, I would never speak to him again. As I stated previously, let's take ownership and take control. I fell under the debt trap, but I was not going to fall into the debt settlement companies' trap.

Please don't be so desperate and sustain more financial obligation when you are trying to leave debt. If you make the effort to run the numbers, you will see most programs don't make sense. An efficient debt settlement business will charge a small start-up cost, base their commission on performance AND take their commission AFTER you have paid the bank. Noise too excellent to be true? Stay tuned!

In the next post, I will discuss how some financial obligation settlement companies are true consumer advocates.