ACCC

****PLEASE READ & SAVE for reference****
Important Program Information enclosed
INCLUDING CLIENT NEXT STEPS!

PROGRAM GUIDE

ACCC's Debt Management Plan (DMP) is designed to assist consumers in becoming debt-free within a reasonable timeframe by adhering to a balanced budget. ACCC works with the credit card industry to achieve this goal in the most effective way for all parties. Our DMPs serve the dual role of helping you repay your debts and helping creditors to receive the money owed them. Part of our funding comes from voluntary contributions from creditors who participate in Debt Management Plans ("DMPs"). Since creditors have a financial interest in being paid, some are willing to make a contribution to help fund our agency. These contributions are usually calculated as a percentage of payments you make through your DMP—on average approximately four percent (4%) of each payment received. However, your accounts with your creditors will always be credited with 100% of the amount you pay through us. ACCC will work with all of your creditors regardless of whether they contribute to our agency. This creditor funding enables ACCC to charge consumers nominal enrollment and maintenance fees and ACCC counselors are not compensated based on the outcome of a counseling session.

Creditors realize that ACCC clients are serious about repaying their debts in full and are often enrolled in our program to prevent their situation from reaching the point where they may need to file bankruptcy. The strong educational component offered by ACCC Certified Counselors gives our clients a high success rate and most creditors appreciate the fact that their interests are best served by participating in and supporting our program.

DEBT MANAGEMENT PROGRAM: Now that you have participated in a confidential interview and counseling session with a counselor, we are ready to begin the process of having your accounts enrolled in ACCC's Debt Management Program.

Immediate Next Steps – with ACCC

1. **Client To-Do List:** Complete the checklist included in your welcome package. This will ensure that your enrollment and proposals to creditors proceed as smoothly as possible.

2. **Sign documents:** You must review, complete, sign (or E-Sign at ConsumerCredit.com), and return the following documents to ACCC:
   - Debt Management Program Agreement (sign and return all pages);
   - Limited Power of Attorney;
   - EFT Authorization (if applicable)

   Make a copy for your records. Return originals to ACCC within 10 days to prevent delays in proposal acceptance. Include your Client ID Number (see top of your budget) with all correspondence.

   PROGRAM START: Please be advised that the recorded verbal authorization that you provided during the counseling session authorizes ACCC to begin your debt management program as scheduled, even if we have not yet received your signed paperwork.*
   (*except where prohibited by state regulations.)

3. **Send Statements:** Send the most recent creditor statement for each account on the program.

4. **Account Changes:** Notify us immediately of any account changes, such as new banking information (at least 3 business days before draft), the account sold to a new creditor, change in account number or change in payment mailing address.

Immediate Next Steps—with your CREDITORS

Receiving Statements: If you do not receive statements from your creditors, you must contact your creditors and request that they send them to you since *ACCC does not receive statements from your creditors.* If possible, **sign up for electronic statements**, so you can access your statements online and easily monitor your progress in the program. Be sure that your statement includes the FULL account number when corresponding with ACCC.

CLIENT RESPONSIBILITIES in the program:

1. **Make Payments on Time:** ACCC must receive your monthly payment by the due date specified in your To Do List to ensure your continued participation in the program.

    - Automatic Payment via EFT: Late or missed payments will jeopardize your continued participation in the program, so make it a policy to ensure funds are available in your account or call us to make alternate arrangements at least *3 business days* before the draft.

    - Mailing Payments: Please mail your payment one week before your due date (see address on page 6.) ACCC cannot accept post-dated checks and cannot hold checks due to state regulations.

2. **Update Starting Balances:** Please call us immediately to update your account balances if the amount owed has increased before your first payment to us; otherwise your creditors may reject our proposals. Call *at least 3 business* days before payment is due so that we make the adjustments on time.

3. **All Debt Included:** ACCC relies on our clients to provide complete and accurate information. **All eligible unsecured debt must be included in the program** for you to reach your goal of becoming debt-free, as you simply cannot get out of debt while incurring new debt. In addition, some creditors will not accept a program proposal if upon review of your credit report they find additional accounts not listed on the program. To add another account to the DMP, see below.

4. **Adding Accounts:** To add an account to your existing program, you may call us at ext. 1912 or send your request by fax, mail or email with your most recent statement including the full account number (please email statements in pdf format only). If the account is determined to be eligible for the program, we will send you a revised budget with your new monthly payment and effective date. Mail to: ACCC, Attn: ADD ACCOUNTS (see the full address and fax on page 6.)

5. **Review Statements:** ACCC does **not** receive monthly statements from your creditors. You are the only one with access to your monthly statements, and therefore you are responsible for reviewing your creditor statements for accuracy every month, ensuring that your payment posted, and benefits match the Program Benefits sheet. If your statement indicates an error in interest rate, late fees, or any other problem, you must notify ACCC's Client Service Department immediately at ext. 1912, as outlined in your PROGRAM AGREEMENT. ACCC is not responsible for errors that are not reported in a timely manner.

6. **Education:** Make sure you complete ACCC's complimentary Financial Literacy Program: "Financial Peace of Mind" – A step-by-step guide for taking control of your money and your life within the first 3 months of your debt management program (see details on page 6 under "Education.")

7. **Refer Creditors:** Once your proposals are accepted, you should refer any creditors to ACCC if they call you or send you demand for payments. Tell them you are a client of ACCC and politely redirect their calls to ACCC. Please do not be upset if they press you for payment. Dealing with problems head-on is an essential step in reclaiming control of your financial life. Keep a positive attitude when fielding creditor calls. You've already taken a big step by enrolling in the ACCC Debt Management Program. Don't let a bump in the road throw you off track.

8. **Change Contact Info:** If you move or get a new phone number or email address, please notify ACCC immediately, either through our member's website, by phone, or in writing with your next monthly payment AND send your creditors your change of address. It is important that your statements continue to reach you enabling you to monitor your accounts. Also, it is *critical* for ACCC to be able to reach you with any program changes or creditor issues.

9. **Keep Good Records:** If you have not done so in the past, now is the time to start. Set up a filing system to keep track of all creditor statements and payments to ACCC. Keep receipts for everything you spend money on and track your expenses against your budget. Balance your checkbook each month. Keep meticulous track of all ATM withdrawals. *Know how you are spending your money and look for ways to save money on a daily basi*s.

10. **Emergency Fund:** ACCC strongly recommends you build an emergency fund equal to approximately 3 months of living expenses before sending extra funds. In the event of an unforeseen emergency, this reserve will enable you to make sure your payment is available for disbursement and thus protect your continued participation in the program. The goal is to eliminate debt sensibly and to secure a financially stable future. By learning to save and build reasonable reserves for the unpredicted events of life, you will be taking another important step toward realizing your ultimate success.

11. **Further Hardship:** If you experience further financial hardship (loss of job, illness, maternity leave, or other hardship) call ACCC for additional counseling at ext. 1923. We may be able to make temporary adjustments in your Debt Management Program or, if your situation is serious enough to warrant it, we can assist you in looking into hardship programs. If you must discontinue your Debt Management Program, notify ACCC immediately to prevent any further program activity or EFT withdrawals.

Proposal and Payment Process:

- **Creditors Notified:** One week before ACCC disburses your first monthly payment, ACCC will notify your creditors of your enrollment in the Debt Management Program by sending a proposal (*for specific dates by account, refer to your "Client To Do List" document*.)
- **Proposal Acceptance:** While we have developed good working relationships with many creditors, their participation is voluntary, and we cannot guarantee that every creditor will cooperate. ACCC records accepted proposals promptly, but sometimes creditors either reject or make a counter proposal. If necessary, new proposals and budgets are developed and submitted as quickly as possible. ACCC will make every effort to ensure a smooth and timely transition into our Debt Management Program. Most creditors will not accept a client in the program until they approve our proposal and receive three consecutive program payments, at which time you will begin to receive benefits.
- **Proposed Payment Increases:** Creditors may require an increased payment to accept your proposal. For specifics on how this is handled in your state, please refer to your Debt Management Agreement.

- **Missed or Late Payments:** ACCC cannot be held responsible for any missed or late payments *before* enrollment in our program or for any missed or late payments to ACCC while in the program. Please note that it is possible to incur late fees when you initially enroll since each creditor does not officially recognize your enrollment until they approve our proposal and post the first agreed upon payment. **If you miss a payment while enrolled in the program, some creditors may terminate you from the program, and there is no guarantee we can get you fully reinstated with this individual creditor.**
- **Paid-off Account Process:** As each account is paid in full, ACCC will take both the allocated payment amount and maintenance fee and apply them to the balance of a remaining open account that ACCC deems will be most beneficial to you.
- **Pay-off Faster with Extra Funds:** *Once your creditors accept ACCC's proposals*, if you work overtime or receive a bonus or gift you can apply extra funds toward reduction of your debt. This will save you money on creditor interest, and you will pay off your accounts faster, thereby improving your monthly cash flow. By sending the funds through ACCC, we can advise you on the most beneficial way to reduce the debt. There are no fees associated with this service, and 100% of your extra payment is applied to your creditors in the program. For ACCC to manage your account correctly, you should not send payments directly to the creditor after your proposals are accepted, unless directed to do so by ACCC.
- **Reassess Financial Capability:** ACCC highly recommends that you reassess your financial situation after you have been enrolled in the program for at least six months. While lower payments are accepted initially per bank guidelines, ACCC strongly encourages you to increase your payments to accounts with the highest interest rates, so that more money will go towards paying the principal balance on your accounts. (Example: An account with a 15.9% interest rate and a proposed payment amount of $23.00 will result in $17.60 in finances charges, leaving only $5.40 applied to the principal balance.)

Payment History:

If you need to get a **mortgage, car loan, or another type of secured loan** while you are in the program, you can contact the Client Services Department and request a letter to confirm that you have been making consistent payments to ACCC.

Reasons for Termination of the Debt Management Program:

Once enrolled with ACCC, your participation in the Debt Management Program could be terminated for one of the following reasons:

1. **Missed Payment:** Even *one missed* payment may result in creditors dropping you from their program. Be advised that your accounts will revert to the original collection process. Your creditors will require the original minimum payments and the interest rates and fees will default to the original terms of your credit card agreement. If you miss *two consecutive payments*, ACCC will drop you from the DMP program. You may call ACCC to apply for reinstatement, though we cannot guarantee that your creditors will offer the same benefits.

2. **Partial Payment:** The payment agreed upon in your proposal is the payment your creditors will accept. Partial payments put you at the same risk as missed payments.

3. **Accumulating New Debt:** Once a creditor has accepted lower payments or reduced interest, they will not look favorably upon the accumulation of new debt. Increasing your debt may be viewed by

your creditors as a danger signal of a likely future bankruptcy or as an indicator of fraud in your representation of financial hardship. Exception: the purchase of an automobile or home if it is offset in your budget by a previous automobile, mortgage or rent. **It is best to talk with ACCC before taking on any new financial obligations.**

4. **Direct Payment to Creditors:** Once your creditors accept our proposals, all payments *must* go to ACCC. Do *not* send payments directly to your creditors, *unless specifically instructed by ACCC (to prevent the account from being sold or charged-off),* as this action may signal to your creditors that you have left the program and result in your benefits being revoked.

5. **False Information:** Supplying false or misleading information, including name, social security number, address, date of birth, and the like, will be cause for termination.

Your Credit Rating:*

When entering the Debt Management Program, you will be advised to close all of your open lines of unsecured credit, so that you will not incur any new debt while trying to solve your current debt problems. Initially, this may cause a drop in your credit score. However, you can expect your credit score to improve on the debt management program if you follow the rules of the program, do not open any new debt, and commit to making on-time payments. The combination of on-time payment and a reduction in total debt should have a positive impact on your score.

While you are on the program, some creditors may place a notation on your credit report indicating that your account is being managed through credit counseling. This neutral notation does not affect your credit score, which is what most lenders use to determine creditworthiness. The way this notation is viewed by individual creditors varies. Some creditors may consider the "CC" notation as a negative when deciding to extend new credit; however, you are strongly advised against opening any new lines of credit while participating in the program, as your ultimate goal is to become debt-free.

Creditors usually remove the CC notation when you complete or terminate the program, and if it is not removed you may contact the credit bureaus to have the inaccurate information removed. We recommend that you review your credit report (www.annualcreditreport.com) approximately 60 days after completion/termination of the program, to ensure that all information is reported accurately.

If you are behind in your payments when you start the DMP, many creditors will reage your account after three consecutive payments, meaning they will show that you are current with your payments. Until a proposal is accepted, some creditors will report your account as delinquent if our proposed payment is less than the full payment due. Your credit report might show that you are behind in your payments until you either make up the past due amount, or the account is reaged by your creditor after three consecutive payments, if eligible. To avoid this, we strongly encourage you to send a small payment equal to the difference between the ACCC payment and your creditor's required minimum payment until the proposals are accepted. For more information on the "difference payment," please refer to the Client To-Do List in the Welcome Package or online at our website.

COLLECTION ACCOUNTS: Most collection agencies will show that an account is delinquent, and the original outstanding balance may remain on the credit report until the account is paid in full.

CHARGE-OFF ACCOUNTS: Some creditors will allow ACCC to make a payment arrangement against an account that was once deemed uncollectible.

LEGAL ACCOUNTS: If an account is referred to an attorney, ACCC cannot handle it unless the original creditor reclaims the account and allows ACCC to make payment arrangements with them. If a judgment has already been filed, you must make payment arrangements directly with the attorney and contact us to remove the account from the debt management program.

** ACCC is not a credit repair company and has not represented that it will advise or assist you in the modification, improvement or correction of credit entries on your credit reports. No one can legally remove accurate and timely negative information from a credit report. The law allows you to ask for an investigation of information in your file that you dispute as inaccurate or incomplete. For more information about your Consumer Credit File Rights Under State and Federal Law visit the Federal Trade Commission's website at: http://www.ftc.gov/bcp/menus/consumer/credit/reports.shtm."*

EDUCATION

ACCC provides financial education to help you take control of your financial future. Upon enrollment in ACCC's Debt Management Program, you will receive access to our Financial Literacy Program: **"Financial Peace of Mind,"** which is a self-directed study course that will help improve your money management skills. You can complete the program online at **MyFinancialPeaceofMind.com**. To help ensure your success in our Debt Management Program, we strongly recommend that you complete "Financial Peace of Mind**"** within the first three months. If you have a hard copy version of the book, please send your completed pre- and post-knowledge assessments to *ACCC, Attn: Education Department* at the address below. If completed online, then you do not need to mail in the assessments. Upon completion, you will then receive our Graduate's Completion Package, which includes a certificate of completion and three credit-reporting cards that you send to the three major credit bureaus: TransUnion, Equifax, and Experian.

You will be receiving "**The Dollar Stretcher**" newsletter that features an abundance of money saving ideas and tips. We recommend you review the newsletter in its entirety. Additional financial educational materials can be found in the Financial Education section located at **ConsumerCredit.com,** including many financial tools, calculators and articles on a wide variety of financial topics.

You have taken a positive step toward getting out of debt by enrolling in our Debt Management Program, and we strongly encourage you to take advantage of the educational opportunities we have provided. Learning to manage your finances will have a positive effect in all aspects of your life and will guide you to a better understanding of personal money management, increased financial awareness, and a modification of your financial behavior for the better. Do not hesitate to contact a counselor at any time for additional counseling (Recounseling Dept. x1923), and remember that our mutual goal is to relieve your financial stress today and help you learn proper money management skills for the future.

CONTACT US:

Telephone Numbers:

Toll-Free Phone:..... 800-769-3571

Local Phone:..... 617-559-5700

Extensions List:

- Initial Budget Counseling: x1911
- DMP Client Services:..... x1912
- DMP Recounseling: x1923
- Bankruptcy Counseling:..... x1916
- Housing Counseling:..... x1918
- Student Loan Counseling : x1924

Mail (payments and all correspondance):

American Consumer Credit Counseling, Inc.
130 Rumford Ave., Suite 202
Auburndale, MA 02466-1371

Website: ConsumerCredit.com

Email : clientservices@consumercredit.com

Fax Numbers:

- Main Fax:.....617-244-1116
- Add-Account Fax:..... 617-564-9301
- EFT Fax: 866-204-4983