

## Debt Settlement Industry Profiled in NBC News Investigative Report

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Lisa Myers, an investigative reporter for NBC News, provided a report on the *Today Show* on July 7 that profiled the debt settlement industry. She interviewed Helen Wilson, whose family was struggling with debt after paying a relative's medical bills. After doing an Internet search, Wilson said she found Credit Solutions, a debt settlement company in Dallas, which she said claims it can settle debts for half what consumers owe and allow them to be debt-free in three years.

Wilson said she was told by Credit Solutions to ignore bills and warning notices from creditors. When the harassment escalated, she called the company for help and was told they would deal with her creditors. However, Wilson said that after a year, her family's debt is higher and one creditor has sued them. She says the \$6,000 she had to pay to Credit Solutions as an upfront fee could have been used for her bills.

In response, Credit Solutions said they generated 11 settlement offers for Wilson, who said she could not afford them. Credit Solutions also denied telling Wilson to stop paying her bills. But that's not what Myers found.

Going undercover as a consumer with debt, Myers called the company and asked: Do I go ahead and make that payment (on my overdue bills)? The answer she got: "No, no, you stop right away."

The debt settlement industry blames a few bad apples for these headlines, but the Federal Trade Commission is moving to crack down on them and ban upfront fees.

The Attorneys General of three states – Texas, New York and Missouri -- have all charged Credit Solutions with false advertising and deceptive practices, saying that 80% of debts do not settle.

To see the entire NBC News Today Show investigative report, go [here](#).