

Buyer Beware of Debt Settlement Industry

The New York Times published an interesting article on June 18, 2010 by Peter S. Goodman titled [The New Poor Peddling Relief, Firms Put Debtors in Deeper Hole](#). This article is a good read for anyone who is struggling with debt and considering calling a debt settlement company. Choosing a [debt settlement agency](#) should not be a decision taken lightly. Consumers must do their research. In Kansas the Office of the State Bank Commissioner, has a [List of Approved Registered Credit Services Organizations](#).

“In the Kansas City area, Linda Robertson, 58, rues the day she bought the pitch from a debt settlement company advertising on the radio, promising to spare her from bankruptcy and eliminate her debts. She wound up sending nearly \$4,000 into a special account established under the company’s guidance before a credit card company sued her, prompting her to drop out of the program.” (Goodman, 2010) Ms. Robertson filed for bankruptcy after the debt settlement company failed her. (Goodman, 2010)

Our office, also, has meet hard working families who have hoped to pay their debts through debt settlement companies. The programs did not work for them and they called our office seeking bankruptcy relief. Bankruptcy is not the right solution for everyone, just as debt settlement is not the right option for every debtor.

As the industry has grown, so have allegations of unfair practices. Since 2004, at least 21 states have brought at least 128 enforcement actions against debt relief companies, according to the National Association of Attorneys General. (Goodman, 2010) [Consumer complaints](#) received by states more than doubled between 2007 and 2009, according to comments filed with the Federal Trade Commission. (Goodman, 2010)

People who are overwhelmed by debt need to explore all their options carefully. Do not allow yourself to be taken advantage! Debtors must consider what options are best for their families now and in the future. It is also important for debtors to be realistic about their financial situations. Even if companies are willing to settle some of your debts, will you be able to pay the settled amounts?

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Goodman, P. S. (2010, June 18). The New Poor Peddling Relief, Firms Put Debtors in Deeper Hole. *New York Times* .

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Walden & Pfannenstiel, LLC is a debt relief agency, proudly helping people file for bankruptcy relief under the Bankruptcy Code throughout Kansas and Missouri.