Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Hour: \_\_\_\_\_\_\_\_

Debt, Counseling & Bankruptcy Notes

* Credit is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_, one that cannot be taken lightly. Using poor judgment and spending beyond your means can lead to disastrous results.
* Signs that you may have debt problems include:
  + - Making only the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ monthly payments on credit cards
    - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to make the monthly payments on credit accounts
    - Missing loan payments or being late often
    - Using \_\_\_\_\_\_\_\_\_\_\_ to pay for necessities (food, utilities, etc)
    - Receiving 2nd or 3rd payment due notices from creditors
    - Borrowing money to pay off old debts
    - Exceeding the credit \_\_\_\_\_\_\_\_\_\_\_\_\_ on your credit cards
    - Being denied credit because of a bad credit report
* After a period of time, dependent upon the original creditor’s lending policies, an unpaid debt will be sold at a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in an attempt to recoup some of the losses.
  + - Example: Selling a $100 debt for $50
* The companies who purchase this debt are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Debt collection agencies must adhere to protocols established by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Debt Collection Agencies Cannot
  + - Call before \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
    - Curse or \_\_\_\_\_\_\_\_\_\_\_\_ you
    - Demand that you pay more than you owe
    - Claim papers they send you are \_\_\_\_\_\_\_\_\_\_\_\_ forms if they are not
    - Make up consequences for not paying your debt
    - Call you at \_\_\_\_\_\_\_\_\_\_\_\_\_ if your employer does not allow it
* You have the right to have debt collectors stop calling you altogether.
  + - Must notify in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* If you are unable to work out an adjusted repayment plan with the original creditor, there are a variety of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ organizations willing to help. The CCCS, and many similar programs will
  + Charge little to no fee
  + Keep your information \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + Help those with serious debt problems manage their money better and establish \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ budgets
  + Educate on budgeting and the pitfalls of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ credit purchasing
* Many companies in this industry exist purely for profit.
* They make money by charging you \_\_\_\_\_\_\_\_\_\_\_ and by receiving money from your \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* Before you select a financial counseling company to help you get out of serious debt trouble, do your research (Check with the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and other reputable resources).
* If financial counseling cannot help and there appears to be no relief in sight, a consumer can declare \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_; the legal process in which some or all of the assets of a debtor are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ among the creditors because the debtor is unable to pay their debt.
* Citizens have \_\_\_\_\_\_\_\_\_\_\_\_\_\_ different forms of bankruptcy they are able to declare, they are outlined below:
* Chapter 7
  + Many, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, of your debts are forgiven
  + Majority of debtors assets are sold to pay off creditors
  + The release from debt \_\_\_\_\_\_\_\_\_\_\_\_\_ affect alimony, child support, fines stemming from driving while intoxicated among other things.
* Chapter 13
  + Debtor presents a \_\_\_\_\_\_\_\_\_\_\_\_\_ to the court to eliminate their debts over a specific period of time.
  + Debtor normally \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, of their property
  + During the plan (not to exceed \_\_\_\_\_\_ years), debtor makes regular payments to a Chapter 13 trustee who then distributes the money to the creditors.