

## The Great American Set-Up

Enticed by the pursuit of the American Dream, an alarming number of families and individuals are attempting to “have it all” by borrowing their way into prosperity. Growing accustomed to immediate gratification provided by instant credit, we rush to possess material belongings.

All of us have been seduced by slick marketing campaigns promising an endless array of interest rates. We have been fooled into the “monthly payments” mentality, never the total price paid. We have become slaves to creditors while depriving ourselves of financial independence.

The addiction to borrowing blinds us to the weakened financial condition that results. Debt is at the heart of financial problems standing between the American Dream and us.

The time has come to wage war on debt.

Join us.

## Personal Settlement Strategy

### Contract Review

Client endorses program and returns documents

### Contract Approval

Client Processing Group reviews all documents. It is important to note that the client's contract will be put on hold until any missing documents or incomplete information is provided to DebtXS™.

## Phase I

### First Draft Date

#### What is DebtXS™ doing?

DebtXS™ drafts client for the initial deposit to activate Spending Plan Review, Debt Analysis and Personal Settlement Strategy. The Client Services Agreement and the Debit Form clearly display these dates and amounts, which are made on the same day of each month. Client Relations will be available to you when you have questions or concerns.

#### What are creditors doing?

Business as usual, they will continue to send statements, sometimes with late fees and possibly an increase in interest rates based on your specific agreement. If you do not pay the amount due, the creditor will attempt to contact you and the collection process will begin. This will typically last four to eight months, depending on the creditor.

#### What are you doing?

Follow the **Do's** and **Don'ts** provided in this booklet. We suggest you **DO NOT** talk to your creditors because only written communication is controlled and verifiable. Contact Client Relations **1-888-510-1892** when you receive correspondence from your creditors. If you haven't done so already, now is a good time to submit your hardship information and your monthly spending plan to Client Relations. An example of a hardship letter and the monthly spending form are both provided in this booklet.

## Phase II

### Client Begins Savings Program

#### What is DebtXS™ doing?

After you have paid your deposit in full, you will start your savings program. Please refer to your Client Services Agreement which clearly displays the savings program you have agreed to. An **EXAMPLE** has been included in the resource section. During this phase we will continue to assist you with creditor and collection calls. We will also be communicating with certain creditors and collectors on your behalf.

#### What are creditors doing?

Your creditors are accelerating their collections efforts. This period is the toughest in terms of creditors attempting to contact and intimidate you. Eventually the calls should taper off. The creditor may contract your account to a third party debt collection company. This could accelerate the collection process with more aggressive methods. **This is a significant and important event in your program.**

**What are you doing?**

Whenever you receive correspondence, other than monthly statements, from your creditors call Client Relations **1-888-510-1892**. This will ensure that the appropriate responses are made to creditors. Again, we suggest you **DO NOT** talk to your creditors! If you do pick up the phone and it is a creditor or collector, simply get the name of the person, company name and phone number and call Client Relations with that information. Continue to save the necessary amount each month per your agreement.

If you receive any settlement offers in the mail from a creditor or collector and you are in a position to consider the offer, please contact Client Relations.

Client Relations may contact you with settlement offers throughout the program to keep you up to date on negotiations and offers. It is your decision to accept or decline offers.

Please remember that settlement timeframes may vary based on the status of your accounts when you begin the program.

**Phase III****Client Starts Saving Entire Monthly Payment****What is DebtXS™ doing?**

This is the final phase of your Personal Settlement Strategy! DebtXS™ is closely watching your savings program. If you have not already settled an account by now, once you have enough saved to begin the settlement process with your largest creditor, please contact Client Relations. Your account will be sent to the Settlement Department where it will be reviewed, and based on past experience, we will decide on which account to proceed with. Once a valid settlement offer is negotiated you will be contacted immediately.

**What are creditors doing?**

Creditors may be continuing their attempts to contact you. The majority of your accounts are most likely with third party debt collectors. See Frequently Asked Questions provided in this booklet.

**What are you doing?**

Saving! Saving! Saving! Continue to fax Client Relations **1-214-291-5583** correspondence from your creditors and collectors. Make sure you respond to all contact from DebtXS™.

As you settle your accounts, you will want to keep records of your documents that are provided by our settlement department. You are on your way to becoming **Debt Free!**

## Frequently Asked Questions

### **Will creditors attempt to call me?**

It depends on the status of your account when you became a client of DebtXS™. We encourage our clients to avoid creditor contact by phone.

### **Will creditors call me at work?**

If they have your work number on file they may call. Most clients find if they send communication in writing, return receipt requested, that the phone calls tend to stop. We have provided an example of this type of communication in the resource section page number 13. Call Client Relations if you have any additional questions.

### **What do I say to creditors who are able to reach me?**

We recommend that you do not communicate with your creditors without speaking with DebtXS™ first.

### **What correspondence from my creditors do I need to fax to DebtXS™?**

All correspondence, other than statements, needs to be faxed in immediately.

**1-214-291-5583**. Keep your statements and other communication in a central location so that you may refer to them throughout the duration of your personal settlement strategy.

**What do I do if I receive a phone call or a letter from a collection agency or a law firm?** Call Client Relations **1-888- 510-1892** immediately and be prepared to fax any correspondence that you have received from your creditors.

## **What About the Fair Debt Collection Practices Act?**

The F.D.C.P.A. is a consumer oriented law. Many businesses spend a significant amount of time collecting money that is owed to them by either retaining a debt collector (collection agency) or by selling the debt to a third party. Unfortunately, their efforts to collect this money are sometimes less than honorable. Overzealous collectors use abuse, harassment and other methods of intimidation to obtain payments. The law protects you. You do have rights. The F.D.C.P.A. prohibits debt collectors from abusing or harassing you. The law pertains to debt collectors only, NOT to the original creditor. These laws ONLY apply to personal, family and household debts.

**What debts are covered under the Fair Debt Collection Practice Act?**

Personal, family, and household debts are covered under the Act. This includes money owed for the purchase of an automobile, for medical care, or for charge accounts.

**Who is a debt collector?**

A debt collector is ANY third party who regularly collects debts owed to others.

**How may a debt collector contact you?**

A collector may contact you in person, by mail, telephone, telegram, or fax. A debt collector may **NOT** contact you at inconvenient times or places, such as before 8 a.m. or after 9 p.m., unless you agree. A debt collector may **NOT** contact you at work if the collector knows that your employer disapproves of such contact.

**Can you stop a debt collector from contacting you?**

You can stop a debt collector from contacting you by writing a letter to the collector telling them to stop. Once the collector receives your letter, they may not contact you again except to say there will be no further contact or to notify you that the debt collector or the creditor intends to take some specific action.

**May a debt collector contact anyone else about your debt?**

If you have an attorney, the debt collector must contact the attorney, rather than you. If you do not have an attorney, a collector may contact other people, but only to find out where you live, what your phone number is, and where you work. Collectors usually are prohibited from contacting such third parties more than once. In most cases, the collector may not tell anyone other than you and your attorney that you owe money.

**What must the debt collector tell you about the debt?**

Within five days after you are first contacted, the collector must send you a written notice telling you the amount of money you owe; the name of the creditor to whom you owe the money; and what action to take if you believe you do not owe the money.

**What Types of Debt Collection Practices are Prohibited?**

The Fair Debt Collection Practice Act includes the following sections that protect you under the laws. The entire F.D.C.P.A is available through the Federal Trade Commission website ([www.ftc.gov](http://www.ftc.gov)) in the Consumer Education section.

### **Section 805 – Communication in Connection With Debt Collection**

- A debt collector may not contact you before 8:00 a.m. or after 9:00 p.m., unless you agree to the extended hours.
- A debt collector may not contact you at work unless your employer approves. The debt collector cannot discuss the reason for the call with anyone other than you. This includes family members.
- The debt collector may contact others regarding your debt, but ONLY for the purpose of locating you. They may not talk to a second party more than once and he may not divulge any information regarding the specifics of the amount owed.

### **Section 806 –Harassment or Abuse**

- Once you have informed the debt collector to stop contacting you (this must be done in writing), they MUST do so, except to tell you that he will be taking specific action, upon which he must follow through.
- The debt collector may not use any language or symbols on any envelope or postcard that would indicate unpaid bills.

| <b>Quick Tips For Settlement Success!</b>  |  |
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| <b>Do</b>  | <b>Don't</b>   |
| <p><b>DO</b> use this page as a quick reference. Hang it on your refrigerator or mirror, so you will be able to reference it over the next few months. Remember, knowledge is <b>POWER</b>.</p> <p><b>DO</b> be mindful of the debit dates and amounts during the first year of your program.</p> <p><b>DO</b> establish a written monthly Spending Plan; we have included a worksheet for your convenience. Remember you can always access your account online, contact Client Relations for more info.</p> <p><b>DO</b> fax all correspondence from your creditors to Client Relations. This does not include your monthly statements.</p> <p><b>DO</b> stay in close communication with Client Relations. We will continue to work on your behalf to help you become debt free in the quickest time possible.</p> <p><b>DO</b> file complaints against creditors that are harassing you. An example of this letter has been included for your convenience</p> <p><b>Re-affirm to yourself, and your family, that you have made the best possible decision to improve your financial future!</b></p> | <p><b>DO NOT</b> forget that you must be dedicated to this program and consider this a part of your monthly financial planning.</p> <p><b>DO NOT</b> neglect your personal savings program. This will build the funds that are necessary for settlement.</p> <p><b>DO NOT</b> forget that we are here working for you everyday. However, there is no basis for a settlement until we know that you have saved enough to start negotiations.</p> <p><b>DO NOT</b> ignore or throw away correspondence that you receive from your creditors.</p> <p><b>We suggest you <u>DO NOT</u> talk with creditors!</b></p> <p><b>DO NOT</b> share <b>ANY</b> information with creditors or collectors. <b>DO NOT</b> agree to <b>ANYTHING</b> with your creditors or collectors without contacting Client Relations first.</p> <p><b>DO NOT</b> listen to creditor intimidation tactics – they use fear and intimidation in order to collect more money.</p> |
| <p><b>Client Relations Department Contact Information</b><br/>                 Ph: 1 (888) 510-1892 Fax: 1 (214) 291-5583 Email: <a href="mailto:clientrelations@debtxs.com">clientrelations@debtxs.com</a></p>  |  |

## Hardship Letter Examples

### Example #1

To whom it may concern,

I worked for the same corporation for 23 years. In 1997 they began downsizing a little bit each year; in 1999 they started to lay us off. This practice slowly destroyed whatever savings and budgets I had. By the end of that year they announced that they would shut down for good. The next 6 months I got a job as a termite inspector. After about 10 months I realized I just couldn't do it any more, I'm 44 years old and can't really crawl under houses for a living. So I began a job with my current and I bring home approximately \$2200 a month. My wife makes \$3150 per month total. Our living expenses are just about the same. I have every intention of paying my creditors to the best of my ability, and **NOT** file bankruptcy.

### Example #2

To whom it may concern,

In the summer of 1996, I had my 3<sup>rd</sup> child and the expenses associated with this new addition to our family began causing financial hardship. Life continued this way and in the fall of 1997, when I had my 4<sup>th</sup> child my budget still had not recovered. I resorted to using my credit cards to live off of. It soon became more than I could handle. I re-mortgaged my house in 2001, but still was unable to get enough cash-out to pay off all of my credit cards. I continued to contact my creditors, but they were not willing to help me. They still wanted me to get 3 months behind in payments which I felt would put me in a worse financial bind. I contacted Debt XS to see if I could resolve my debt. I cancelled all of my credit cards, and began working with Debt XS with the hope that I would be able to settle my debt with my creditors so that I could avoid bankruptcy. I really do want to settle with my creditors for some sort of reimbursement before I am forced to file for bankruptcy.

\*Please include information such as, divorce, medical issues, loss of job, disability or reduced income. Any information regarding your personal hardship will assist the settlement department with their negotiations.

Dear DebtXS™ Client:

Great news! You now have on-line access to your personal debt settlement account information which is available 24 hours a day 7 days a week!!

DebtXS™ has created this online interactive program to provide every possible tool you will need to plan your future and work your plan. Get involved, get informed and prepare yourself for your new financial future. If you need any additional information about your personal on-line interactive system please call our **Client Relations Center at: 1-888-510-1892.**

When you became a DebtXS™ client, you took an important first positive step towards creating a sound and secure financial future. Now it is time for you to get actively involved in continuing on this path. Remember that debt elimination it is just the beginning of a process that requires you to determine where you currently stand and establish a plan for reaching your financial goals.

To help you successfully complete your debt settlement strategy, **please make sure that you complete the information in your financial profile section.** This information is critical to helping DebtXS™ represent an accurate picture of your situation with your creditors. It is also a very important step in your efforts to build a strong financial future for you and your family.

**Client Relations Contact Information**

[clientrelations@debtxs.com](mailto:clientrelations@debtxs.com)

1-888-510-1892 - Client Relations Toll Free

1-214-291-5583 – Client Relations Fax

**DebtXS™ Web Site**

[www.debtxs.com](http://www.debtxs.com)