

HOW TO AVOID Debt Relief Scams

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There are few things more stressful than drowning in debt. With all that stress, many consumers are swayed by debt relief company claims that are frequently too good to be true. Thousands of people are taken advantage of every year and left with the same debts they had before – after paying out hundreds or even thousands of dollars for some debt relief.

Don't fall victim to their scams! Become knowledgeable about the most common scams and how to avoid them.

Debt Settlement Scams

In this type of trick, the debt settlement company advises you to stop paying your bills. Instead, you're told to deposit your payments into an account while the company negotiates a payoff with your various creditors. Meanwhile, the debt settlement company is drawing its fee from the account that you created.

Debt settlement programs can work, if the company is actually doing the work for you. ***Frequently, the debt settlement firm does nothing other than collect fees.*** All this time, you're getting into more and more trouble with your creditors and losing more and more money.

One of the big clues that you may be dealing with a scam company is if the firm won't go into any details about anything. ***Vagueness is the big tip-off that something isn't right.***

Debt Consolidation Scams

Essentially, the firm collects a fee upfront and then never delivers the service. You

can avoid this by avoiding paying up-front.

Be wary of any firm that requests your personal information before they provide you with a quote. They don't need your bank account numbers or social security number to quote a fee to you. A reputable firm can give you a quote knowing only your creditor, balance, and interest rate.

Credit Repair Scams

There are reputable firms that can help you with your credit. You shouldn't have to pay a fee to have them take a look at your situation.

Again, the scam is to collect money from you and then never actually perform the work. During the interview process, they'll ask for your debit card or bank account information. ***Don't give it to them!*** This is information they don't legitimately need. They'll start charging your account, and it's not easy to get them to stop willingly.

The Solution

The solution to all of these scams is the same. Never provide them with more information than they need. No one needs to verify your identity or get financial information from you before an agreement has been reached.

Avoid paying upfront fees. An initial interview should be free. Your banker doesn't charge you money to talk to you; don't pay these guys, either, until they've been hired.

Verify that they're reputable. Check and see if there have been complaints filed against the firms you're considering. In the online world, it's difficult to hide anything. Do your homework and you should be okay.

Another solution is to simply do as much as you can yourself. You can likely settle your debts or repair your credit better than a firm will do it for you. Educate yourself and take the bull by the horns.

Conclusion

Debt relief scams are everywhere. These disreputable firms prey on the desperate. Check out anyone you're considering before you hire them. Call the Better Business Bureau and check with your state Attorney General's office.

Guard your money and personal information until you see that they're doing the work they promise and you can avoid being taken in by these scams.