



Credit Counseling & Foreclosure Prevention Services: How to Identify an Agency

The recent foreclosure crisis and downturn of our nation's economy has brought millions of individuals and families into dire financial times. Now more than ever, Americans are in need of credit counseling and foreclosure prevention services. Unfortunately, seeking these services can often be confusing. The proliferation of credit counseling and debt repayment services that exist can be daunting, especially with many companies aimed at making a profit rather than offering sound advice.

The US Department of Housing and Urban Development website offers assistance in locating foreclosure prevention services. Go to www.hud.gov to access a list of housing counseling agencies by state. A number of these organizations offer credit counseling as well.

Before engaging with a credit counseling or foreclosure prevention service, even if the organization was found on the HUD website, take time to do some background research. The Federal Trade Commission makes the following recommendations for choosing a credit counseling agency:

- Look for an agency that offers a variety of services, not just debt management or foreclosure prevention counseling
- Get a detailed price quote for initial counseling services and any monthly fees
- Avoid organizations that charge for information about the nature of their services
- Look for an agency that has safeguards in place to protect the privacy of your personal information and prevent misuse
- Ask how employees are paid, avoid agencies where employees are paid on commission to move clients into pre-designed debt management or foreclosure prevention products that don't meet the clients needs
- Check to see if they are licensed to do business in your state
- Don't commit to participate in a debt management plan over the telephone, avoid agencies that encourage you to act immediately
- Investigate the company's record with the State Attorney General and the Better Business Bureau

For more information on the Federal Trade Commission's services visit www.ftc.gov

www.illinoisassetbuilding.org

For more information about IABG and asset-building efforts in Illinois, please contact Chris Giangreco (773.336.6073 or support@illinoisassetbuilding.org).

IABG is co-chaired by Heartland Alliance for Human Needs & Human Rights and the Sargent Shriver National Center on Poverty Law.