Avoid Debt Settlement Scam by Selecting the Right Company by Gregory George

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Consumer debt continues to rise from day to day and many people find themselves looking for any way out of what seems to be an impossible hole. Unfortunately, one option that many choose is bankruptcy. Another is applying for the services of a debt settlement company. If you are over your head in debt and are considering a debt settlement company's assistance, ask the following questions as you shop around:

How much does the service cost? If the debt settlement service cost is more than you can afford in your personal situation, you will simply be signing up for more credit problems, in the near future. If you find that you can't afford any of the debt settlement companies' fees, try to explore other alternatives.

Is the debt settlement company you are considering accredited by The Association of Settlement Companies (TASC)? This is an important factor, because TASC accreditation reduces risk to customers and gives overall confidence. The members of TASC are independently evaluated by a third party for their competence and performance capabilities.

Does the company offer any type of service guarantee? If it does, what is the guarantee? If the company cannot negotiate a settlement, you should not have to pay a fee.

Does the debt settlement company report to the 3 main credit reporting agencies? If the company does, your credit report will show you as having negative accounts with your lenders, but also that you're doing something about it. If they tell you that debt settlement won't negatively affect your credit, you should take a few moments to seriously consider just what else they may be lying to you about. In the short term, using a debt settlement or credit counseling company could make your credit worse.

Does the debt settlement company you are considering belong to the local Chamber of Commerce? If so, is the Chamber an accredited member of the Chamber of Commerce of the U.S? This type of affiliation will help ensure that the company is conducting its affairs properly.

Does the debt settlement company employ IAPDA certified debt arbitrators? International Association of Professional Debt Arbitrators certified members understand the laws governing the debt settlement industry and should easily be able to grasp your financial situation.

Is the debt settlement company a member of the Better Business Bureau? Check the company you are considering for complaints that may be on file with the BBB. Any company with more than a few grievances per year filed against it may not be operating with good business practices and should probably be avoided.

You can also ask the company representatives the following important questions:

1. How many consumers have they serviced?

2. What is their current dollar amount of debt under management?

3. What is their average settlement rate with creditors?

4. What type of customer support do they provide?

Finding a good debt help company can be very important if you're under a heavy burden of debt. There are good companies out there, but there are just as many disreputable ones. Take your time, do your research, and choose wisely.

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