



Consumer Credit Counseling Service
of Maryland and Delaware, Inc.

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Helping people help themselves through Education, Financial Counseling and Debt Repayment

GETTING HELP IS THE FIRST STEP TO REGAINING FINANCIAL CONTROL

(BALTIMORE, MD) - Doug H. is doing something that many of us would like to do: This past year he's taken control of his finances and made a big dent in the credit card debt he owes. The skills he's mastered and the progress he's made wouldn't have come without discipline and dedication. Doug is the first to admit that he probably would not be financially where he is now if he had not asked for help.

The uncertain economy has led some Americans to reexamine their financial situations and reduce their spending. That said, many consumers still overspend or rely on credit cards if they encounter economic setbacks such as job loss or unexpected medical expenses. As resources dwindle, they may be forced to miss or only make minimum payments on their credit card balances each month. This behavior ultimately leads to financial disaster. The amount they owe continues to escalate amid rising interest and fees; and before they know it, they are in serious financial trouble.

By the time Doug recognized he had a problem, he had maxed out 12 credit cards. He says, "As a man, it's hard to ask for help. But the payments I was faced with were overwhelming. I felt like I might never dig my way out. Luckily, I'd seen my aunt survive financial disaster. She was in deep debt, but she talked with her creditors, and with time, she paid back what she owed. Her success gave me hope."

Like Doug's aunt, some consumers are able to jumpstart their finances by themselves. They contact their creditors, reduce their spending, and work to repay what they owe. Others highly benefit from outside professional help because they need a more structured, supportive approach.

Though there are many types of financial service providers that claim to help people with debt problems, they are not all alike. When Doug first sought help, he considered debt settlement. Debt settlement is a process under which creditors agree to accept less than the full amount owed, yet consider the balance "paid". Most of the firms that negotiate debt settlements are for-profit businesses. Some claim they can arrange for consumers to pay substantially less than what they owe. However, there is no guarantee that any company can persuade a creditor to accept a partial payment, and even when they do, the process may take months or even years. Additionally, the debt settlement company may charge a large fee that the consumer must pay regardless of the outcome of the company's efforts. Clients often lose hope and leave the arrangement in even greater debt and with a worse credit rating.

Doug ultimately decided not to go through debt settlement, because "they were very aggressive and wanted a lot of money up front." On his sister's advice, he decided to explore credit counseling with Consumer Credit Counseling Service of Maryland and Delaware (CCCS) instead.

Like many credit counseling services, CCCS is an independently accredited 501(c)(3) nonprofit agency. Its counselors are trained and certified. During free, confidential counseling sessions, they help each client to evaluate their financial situation and develop a personal budget. Clients receive advice on ways to cut their living expenses and increase their incomes. They also learn about all the available options for getting out of debt, which may include voluntary enrollment in a debt management program or "DMP."

Doug describes his credit counseling session with CCCS counselor Judy Hines as a "life changing experience -- I knew I'd come to the right place." He notes that until she sat him down to discuss his finances, he hadn't really understood how much he was paying for interest each month on his credit cards. "She asked me where all the money was going each month. I'd never thought about that before. Then when we looked at my spending habits and how much I was paying just in interest alone on the credit cards, it was clear I needed to make some definite changes in my lifestyle."

Hines, who has 34 years experience with CCCS, says that Doug's reaction is a common one. "When clients come to us, they're often embarrassed and worried. They ask, 'I work so hard; why am I not getting anywhere?' When we total up their income and bills, we take a look at their credit card accounts, and they see how much they're paying each month in interest. That's when the light bulb goes on -- they recognize this is why they are having trouble making ends meet."

This realization served as a wakeup call for Doug. Having weighed all the options, he decided to enroll in a debt management program (DMP), and he hasn't looked back since. Clients who are in a DMP make a single monthly payment to CCCS, which it disburses on their behalf to their unsecured creditors. They're charged a small monthly maintenance fee to cover the administrative costs of servicing their account. Throughout the program, they receive encouragement and support. The goal of the DMP is to become debt free. Along the way, clients develop valuable personal finance knowledge, skills and behaviors that they use for the rest of their lives.

Since being in the program, Doug has learned to budget and live without credit cards. He says, "When I came in for counseling, my cable had been turned off. Now all my bills are up to date." This past year, he even saved enough to take a vacation for the first time in a long time. He is thrilled by the steady progress he's making on repayment of the debts he owes, and he appreciates the lessons he is learning. He notes, "If you give a man a fish, it will feed him for a day. But if you teach him how to fish, he can get his own dinner. That's what CCCS does!"

Local residents who need help with their finances can schedule a credit counseling appointment with Consumer Credit Counseling Service of Maryland and Delaware by calling **1-800-642-2227**. Credit counseling sessions take place at CCCS's offices throughout the Baltimore area, in Easton, Salisbury, Dover, and Wilmington, or by phone. There is no charge for this service. Also visit www.cccs-inc.org to learn more about what the agency does.

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Consumer Credit Counseling Service of MD & DE, Inc. (CCCS) is an accredited nonprofit agency that has served the local community since 1966. CCCS is dedicated to helping individuals and families resolve their financial problems. We promote the wise use of credit through education and confidential budget, money management counseling, and housing counseling. MD State License #14-01 / DE State License #07-01.