



Debt Management Program Notes

1. **Recent Major Purchases, Balance Transfers, Large Cash Advances, or the Newness of the Debt** – These circumstances may affect the outcome of negotiations. Please call if this situation applies to your program.
2. **Start of Benefits** - Many creditors will not give you any benefits until the first payment through the program is posted to your accounts. Most now require 3 consecutive payments to be posted. A few creditors may take even longer.
3. **Use of Estimates in Developing Program:**
 - a. All estimates are based on weighted averages, thus the actual months to pay off debt and the actual average interest rate paid may differ slightly from the estimates listed. However, these estimates are substantially correct and you can reasonably anticipate results to be similar to the estimates listed. Obviously we cannot guarantee it.
 - b. The proposed payment amount and proposed interest rates are an estimate. This estimate is based on the balances provided and the creditor guidelines. The payment level and interest rates are solely at the discretion of the creditor and may be adjusted subsequent to enrollment.
 - c. The Estimated Total Debt Management Program Savings is for illustrative purposes only. It makes several key assumptions, including the assumption that you would only make the minimum monthly payment to your creditors. In addition, if no current interest rate was indicated on the enrollment form, the current interest rate has been estimated.
4. **Creditor Review of Credit Report** - Most creditors will periodically check your credit report to verify your financial situation. If you do not enroll all your unsecured debts in our program, any creditor you did not include could, after checking your credit report, close your account to further purchases or charges. CC&BC cannot be responsible for actions taken by any of your creditors as a result of your enrollment in our program.
5. **MBNA and Discover** both have sliding interest rates concessions that are set by the companies themselves. The rate reduction is based on undisclosed internal criteria to determine the client's need, but can be as low as 0% in the case of MBNA and 7.99% in the case of Discover. The actual rate you receive will be set after enrollment. In presenting your Debt Management Program, CC&BC, for illustration purposes only, uses the highest rate that could be charged if the debt was accepted onto the bank's consumer credit counseling program. However, MBNA may not reduce your rate at all if they determine there is no financial need.

A Non-Profit, Multi-State Licensed, Bonded, Consumer Education and Financial Counseling Agency

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6. **CC&BC schedules the lowest monthly payment possible**, even if that extends the program more than 5 years. However, you can always pay additional funds at this reduced interest rate to shorten the term.
7. **Personal loans** are negotiated on a best effort basis - most banks and finance companies accept personal loans in a Debt Management Program, but will reduce payment and/or interest on a case by case basis. The reductions listed on your Debt Management Program have been negotiated for other CC&BC clients and we expect similar results for your program.
8. **American Express** Optima, Sign and Travel and other American Express credit cards, (not the non-interest bearing green and gold charge cards), raise interest rates to 23.9% when the account is closed for any reason, including enrolling the debt into a Debt Management Program. The non-interest bearing green and gold charge cards remain at 0%, unless you have both types of cards. However, American Express has an **Interest Rebate Program**. If a client makes regular on time payments for 50 months, or pays their account in full, the interest charged under the Debt Management Program is rebated back to the customer. Please consider both these consequences before you enroll your American Express Debt.
9. **Collection and charged off debts** can be problematical. While we have a number of options available to handle these debts, we can accept such debts on a best effort basis only.
10. **Transfers or Drop-outs from other Credit Counseling Programs and Restarts with our Program**— Most creditors will only reage your account once a year, some only once a lifetime. Clients transferring from other credit counseling programs or restarting our program need to bring their accounts current to receive many of the benefits of the program. In addition, creditors will not lower the payments from the previously agreed upon levels. Please call if you are or had previously been enrolled in another credit counseling program.
11. **A Debt Management Program and your Credit**
 - a. A Credit Counseling Program is a **HARDSHIP** program and may negatively affect your credit report.
 - b. Creditors may report that an account is in financial counseling, that payments may have been late or missed altogether, or that there are write-offs or other concessions.
 - c. The program does **NOT** erase reported history on your credit report if it is correct.
 - d. Creditors will close your account upon acceptance on their program.