



Description

If one of your goals is to become debt-free in the shortest timeframe possible, the Debt Management Program (DMP) should be at the top of your list of options to consider. One of the many benefits of a DMP is that it provides a way for your creditors to *reduce your interest rates* and allows more of your monthly debt payment to go towards the outstanding balance, therefore *accelerating the rate of repayment of your debt*. The savings offered through a DMP can equate to thousands of dollars over the life of the program.

How does it work?

A DMP is a safe and proven way to repay your debt obligations without impacting negatively your financial life. Most creditors participate with the DMP and extend benefits to their account holders who enroll.

The DMP works by combining your individual creditor monthly payments into a single monthly payment, which in turn allows you to focus on your other financial goals.

The DMP is designed to pay off your *balances in full* and is not designed to try to reduce the amount of debt you owe. Please be aware that some for-profit companies offer to “settle” debt obligations. This approach not only has negative consequences on credit scores but can also lead to tax and legal implications down the road.

Benefits - Your debt gets paid on time, each & every month!

There are three main financial benefits to the DMP:

- Your DMP monthly payment will typically be lower than what you are currently paying and will result in immediate financial and budget relief;
- Your creditors will lower your interest rates – sometimes significantly;
- Some creditors will also be willing to re-age accounts that are past-due which brings those accounts current, eliminating late & over limit fees, beginning the process of improving credit scores.

Additional Facts

- Independent Research from The Ohio State University and Experian have demonstrated that:
 - 3-months after the financial counseling that accompanied a DMP:
 - 67% of clients are now better at managing their money
 - 73% of clients now pay their debt more consistently
 - 18-months after the financial counseling that accompanied a DMP, clients had an average experienced:
 - A \$17,000 average decrease in total debt
 - A 50-point increase in their credit score
- You will continue receiving monthly statements from your creditors
 - This will help you keep track of everything and verify your accounts are getting paid on time
- All accounts included in the DMP are typically closed when you enroll - the main goal is to help you get out of debt so keeping them open would defeat the purpose
- There is no penalty for early payoff
 - You're welcome to increase your payments and/or pay off some accounts any time
- Debt must be unsecured to be enrolled in the program
 - Examples of unsecured debt include credit cards, personal loans, lines of credit & store cards
 - Mortgage debt and student loan debt cannot be included in the program
- You can add collection agencies to the program
 - Accounts that have gone severely delinquent can also be included to help you pay them off