



## **What Options Does Someone With High Consumer Debt Have?**

---

### **Option 1 – Bankruptcy**

- Negative credit report for ten years
- BK-13 may require the pay back of principle amounts borrowed over a five year period
- Attorney fees to file BK typically range between \$2,000 and \$5,000
- Amounts paid into a BK repayment plan cannot be accessed in the case of an emergency
- Typical payment on \$40,000 of an unsecured debt would be in the \$800 range for five years
- Provides some protection for other assets if BK judge allows those assets to remain in the consumer's possession

### **Option 2 – Debt Management, Consumer Credit Counseling or other Debt Repayment Programs**

- Negative credit report for 7 years
- Usually requires 100% pay back of principle amounts and usually some interest
- Fees for the program are generally split between the lender and the consumer
- Amounts paid into a non-profit programs cannot be accessed in the case of an emergency
- Typical payment for \$40,000 of unsecured debt would be in the \$1,000 range up to 5 years
- Creditors may seek any and all forms of collection for missed payments including collection agencies, judgments or garnishments

### **Option 3 – Do Nothing**

- Negative credit forever, as accounts are resold to collection agencies perpetually
- Interest and penalties continue to accrue causing the balances to continually increase
- The cost of never ever being able to re-enter the credit system could far exceed the money saved by not paying over time
- Creditors may seek any and all forms of collection for missed payments including collection agencies, judgments or garnishments

### **Option 4 – Debt Settlement**

- Negative credit report for 7 years
- Payment plans only last 18-48 months by which time the consumer is debt free and protected from any further collection efforts by the creditor

- Until accounts are settled, creditors may seek any and all forms of collection for missed payments
- Typical payment on \$40,000 of unsecured debt is in the \$569-\$750 range for 3-4 years
- Monthly payment includes all fees - no additional out of pocket expenses from consumer
- Some Debt Settlement programs allow the consumer to access their account in the case of an emergency and borrow or withdraw cash without a penalty

**Let's discuss your best options- 800-829-7483 Call Today**