



Back End/Full Service Membership Application

Thank you for your decision in becoming an active member of the credit advocacy industry's largest national trade association. The American Fair Credit Council (AFCC™) has a mission and focus that is truly unique in our industry. A few of the many factors that make us stand alone in our industry include:

Consumers: Our primary focus is on the consumers we help. Their story - the suffering of good people drowning in credit card debt, in need of an advocate - is not being told, and is misunderstood.

Fairness: We fight for fair treatment for our customers with creditors, and we provide fair services to the customers we serve. We only charge fees after we have successfully resolved debt for our customers.

Advocacy: We are a champion for consumers--an aggressive advocate - for the industry, our members and our clients.

Good guys: The AFCC is ONLY for those willing to abide by the AFCC's new code of conduct--that emphasizes full compliance with the federal rules for our industry at state and federal levels.

Please confirm via the checklist below before submitting your application to the AFCC

Attachments to complete that are included with this application

- Submit signed *Company Type and Information* page.
- Submit signed *Client Validation Agreement* which verifies your active client count.
- Submit signed *AFCC Logo License Agreement*.
- Submit signed *Legal/Regulatory Declaration* that you have not committed a felony, fraud or dishonesty.
- Submit signed *AFCC Code of Conduct Declaration* that you will abide by the AFCC Code of Conduct.
- Submit signed *Electronic Funds Authorization Form* to authorize payment of membership dues.
- Submit signed *AFCC Member Enforcement and Cancellation Policy and Procedures*.

Additional Information to Provide

- Submit your company registration or information indicating you are permitted to do business in your state. (i.e. Articles of Incorporation, Business License, etc.).
- Submit a list of ownership over 10%, and a list of Directors and/or Executive Officers.
- Submit one AFCC member sponsor or 2 non-member references.
- Submit copies of all written contracts used with consumers. Please refer to Section IV of the AFCC Standards to view a list of requirements regarding member client agreements.
- Submit a description of how and when you charge fees from consumers for your services. If there is more than one fee structure that you use, provide descriptions of each.
- Submit a copy of the budget analysis used for consumers that the organization contracts with to determine appropriateness for debt negotiation.

AFCC Admin Checklist

- Verification from AFCC that all applicable websites include physical address and phone number.
- Confirmation from the AFCC office that all applicable web pages are compliant with AFCC website standards.
- Confirmation from AFCC office that company does not charge Advance Fees.
- Verification that company is including the AFCC Disclosure Statement (included below) is included in all versions of the company's Client Agreements.



Company Type and Information

Indicate type of company:

Back End Full Service Law Firm Full Service Law Support

Company Name: _____

Contact Name and Email: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number which will be displayed on the AFCC website: _____

Direct Line for AFCC use only (required): _____

Fax: _____ E-Mail: _____

Website that will use AFCC logo: _____

AFCC™ membership dues are tiered and based upon the number of clients a member company is serving annually. For ease of payment, membership dues are deducted automatically (ACH) on a monthly basis. Please complete and sign the attached ACH form below and return it with the required listed documents. Applications may be terminated after 45 days of receipt by the AFCC office, dependent upon the active pursuit of membership by the applicant.

Dues Structures:

Law Support firm using an AFCC backend company. \$1100/month

If you checked one of the two options above, please list the AFCC backend company you work with below:

Full Service Law Firm servicing active Credit Advocacy clients. (*Dues based on active client count checked below)

Back end or Full Service Credit Advocacy Firm (*Dues based on active client count checked below)

Check One	Active Client Count	Monthly Dues
<input type="checkbox"/>	10,000+	\$12,500
<input type="checkbox"/>	7,000-9,999	\$10,000
<input type="checkbox"/>	5,000-6,999	\$7,5000
<input type="checkbox"/>	3,000-4,999	\$5,000
<input type="checkbox"/>	1,000-2,999	\$2,000
<input type="checkbox"/>	0-999	\$1,000
<input type="checkbox"/>	Intro- (6 month max)	\$200

Please send your completed Membership Application, all required documents, and the signed ACH authorization form to one of the following for processing:

Email: admin@americanfaircreditcouncil.org

Fax: 954-343-6960 & Email advising date faxed

USPS: The American Fair Credit Council 100 W Cypress Creek Rd, Ste 700 | Fort Lauderdale, FL 33309 & Email advising date mailed



AFCC™ Active Client Validation Agreement

This form must be completed by the company CFO, CPA, or an Executive Officer of the company requesting membership.

I, _____ (name), do hereby confirm and validate the above company information pertaining to the total number _____ as active enrolled clients as of _____ (date) to be true and accurate. I understand that this information is being provided to AFCC™ in my official capacity of my company and that misinformation or inaccuracies may be grounds for the termination of AFCC™ membership and all rights associated with AFCC™ membership.

Company Name

Printed Name

Signature

Title

Date



AFCC™ Logo License Agreement

The AFCC™ logos and name are the property of The American Fair Credit Council ("AFCC™") but may be used by AFCC™ members in good standing in accordance with the terms and conditions set forth below. Use of one or more of the logos shall constitute consideration for, agreement to, and acceptance of, the terms and conditions of this license by the user. User agrees to the following:

1. The attached AFCC logos (the "logos") are the intellectual property of the AFCC and belong exclusively to the AFCC. These logos may be used only by the AFCC members in good standing if and only if such use is made pursuant to the terms and conditions of this limited and revocable license. These logos may not be distributed or sublicensed to any individual, corporation, agency, association, partnership, affiliate, subsidiary, or other entity without the specific prior written consent of the AFCC. Any failure by a user to comply with the terms and conditions contained herein may result in the immediate revocation of this license, in addition to any other sanctions and legal remedies imposed by the AFCC. The interpretation and enforcement (or lack thereof) of these terms and conditions, and compliance with them, shall be made by the AFCC in its sole discretion.
2. The logos are made available to the AFCC members in good standing in color and in black-and-white. The logos may not be revised or altered in any way, and must be displayed in the same form as produced by the AFCC. The various classes of membership (charter, accredited, preferred, and associate) will be determined exclusively by the AFCC and the Member may only display the designated class of membership as determined by the AFCC.
3. The logos may be used in a professional manner on the user's business cards, stationery, literature, advertisements, internet web sites, store-front window, or in any other comparable manner to signify the user's membership in the AFCC. The logo may never be used independent of the term "MEMBER". Notwithstanding the foregoing, the logos may not be used in any manner that, in the sole discretion of the AFCC: discredits the AFCC or tarnishes its reputation and goodwill; is false or misleading; violates the rights of others; violates any law, regulation or other public policy; or mischaracterizes the relationship between the AFCC and the user, including but not limited to any use of the logos that might be reasonably construed as an endorsement, approval, sponsorship, or certification by the AFCC of the user, the user's business or organization, or the user's products or services, or that might be reasonably construed as support or encouragement to purchase or utilize the user's products or services.
4. Use of the logos shall create no rights for users in or to the logos or their use beyond the terms and conditions of this limited and revocable license. The logos shall remain at all times the sole and exclusive intellectual property of the AFCC. The AFCC shall have the right, from time to time, to request samples of use of the logos from which it may determine compliance with these terms and conditions. Without further notice, the AFCC reserves the right to prohibit use of the logos if it determines, in its sole discretion, that a user's logo usage, whether willful or negligent, is not in strict accordance with the terms and conditions of this license, otherwise could discredit the AFCC or tarnish its reputation and goodwill, or the user is not an AFCC member in good standing.
5. The AFCC logos may not be used without certification of the following: (a) Agreement to adhere to the applicable Code of Conduct and Standards promulgated by the AFCC Board of Directors, including the use of and adherence to the AFCC Disclosure Statement as part of the Client Agreement and the Web Disclosure Statement on the applicable web sites (b) All applicable web sites list physical address and phone number (c) All applicable web sites are registered with a domain registrant that publicly publishes the registrant's physical address and phone number (d) Use of the logo must not imply endorsement of the organization, its services or affiliations.
6. Any online use of the AFCC logo must include a workable link from the logo to the member's section of the AFCC website.
7. Applicant agrees to provide the URL for each unique domain name in which the AFCC logo appears or will appear and verification that the footer displayed on the homepage of each domain name is consistent with all sub-domains associated with that domain name in writing to the AFCC or by electronic mail to info@americanfaircreditcouncil.org.
8. This license and the enforcement and interpretation of this license agreement are subject to the laws of the State of Texas. The user hereby consents to the exclusive jurisdiction and venue of the courts, tribunals and agencies located in the State of Texas for any dispute arising from use of the logos.
9. Any questions concerning use of the logos or the terms and conditions of this license should be directed to: info@americanfaircreditcouncil.org or American Fair Credit Council, 100 W Cypress Creek Rd, Ste 700, Fort Lauderdale, FL 33309 or 888-657-8272.



I am authorized to accept this license on behalf of the company indicated below and accept the terms and conditions of this License of the AFCC™ Logos to Members:

Company Name

Contact Name

Address, City, State, Zip

Signature

Website that will use Logo

Title

Phone Number

Date



LEGAL/REGULATORY DECLARATION

In connection with the application of _____
(the "Applicant") for membership with the American Fair Credit Council ("AFCC"), the undersigned certifies as follows:

1. The information set out in this Declaration is truthful, complete and accurate in all respects.
2. The undersigned holds the position of _____ for Applicant and is authorized on behalf of Applicant to complete this Declaration.
3. Check one of the following:
 - a. Applicant has **not**, via a court order, judgment, administrative ruling or other legal finding, (1) violated any law regulating the activities of debt adjusting, debt management, debt pooling or other debt relief services, (2) violated any consumer protection law in providing any service, (3) failed to maintain a license or comply with a state licensing requirement, or (4) been the subject of any legal claim that resulted in an adjudication of guilt, liability or wrongdoing, relating to a matter of fraud, dishonesty, theft, deception, or a felony.

OR

- b. Applicant provides the attached explanation, incorporated by reference in this declaration, for any reasons Applicant cannot check box (a) above.

Applicant certifies that the statements made in this Declaration are true.

Printed Name

Signature

Title

Date



DECLARATION REGARDING THE AFCC™ CODE OF CONDUCT

In connection with the application of _____
(the "Applicant") for membership with the American Fair Credit Council ("AFCC"), the undersigned certifies as follows:

1. The information set out in this Declaration is truthful, complete and accurate in all respects.
2. The undersigned holds the position of _____ for Applicant and is authorized on behalf of Applicant to complete this Declaration.
3. The undersigned has read and understood the AFCC Code of Conduct. The undersigned agrees to abide by all requirements of the Code of Conduct at all times in the provision of its credit advocacy services. The undersigned understands that a violation of the Code of Conduct can result in suspension and/or termination of membership in the AFCC.

Applicant certifies that the statements made in this Declaration are true.

Printed Name

Signature

Title

Date



ELECTRONIC FUNDS AUTHORIZATION FORM

**** Important: Changes to your scheduled fee payments requires a minimum of five (5) business days notice.**

NOTE: Withdrawals are made on or around the 21st of each month

Electronic Funds Transfer Authorization			
Financial Institution:		Branch:	
City:	State:	Zip:	Phone:
Name on Account			
Routing/ ABA#:	Account#:	Account Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/>	
<p>As a duly authorized check signer on the financial institution account identified above I / We authorize the American Fair Credit Council™ to perform scheduled electronic funds transfer debits from my / our account identified above for membership payments due, or when applicable, apply electronic funds transfer credits to the same account. This applies to check by phone payments as well as any other electronic payment. Furthermore, if any electronic debit(s) should be returned by my financial institution as Non-Sufficient Funds (NSF), I / We authorize, the American Fair Credit Council™, Inc. to collect a returned item fee of \$25.00 per item by electronic debit from the account identified above. I / We understand and authorize all of the above as evidenced by my / our signature below.</p>			
Client Signature			Date:
Cosigner Signature (if applicable):			Date:

Person to contact regarding monthly dues:

Name: _____

Email: _____

Phone: _____



AFCC Member Enforcement and Cancellation Policy and Procedures

New Member Policy

1. A new company will be secret shopped twice within the first 30 days. During this 30 day period the company is granted provisional membership. The company will be fully shopped including checking for a completed budget and receiving a contract. There will be an initial membership setup fee of \$150 to pay for the initial cost of the secret shopper program. Once the company has been shopped twice and they meet AFCC requirements they will be granted full membership.
2. A provisional member will be listed in a separate section of the AFCC website as a provisional member and both the AFCC logo and the AFCC popup window from the logo will reflect the provisional status as well.
3. This New Member Policy does not supersede AFCC's right to review all membership applications and reject any application at its sole discretion.
4. AFCC members are required to have both front end and back end companies be a member. A front end company cannot be a member if their servicing company is not an AFCC member. A backend company must require all front end companies to be an affiliate member.

Minor Non-compliance of AFCC Standards -Secret Shopper Program / Web Site/Marketing

1. Any violation not considered a gross violation shall be a minor violation
2. First violation - A warning letter along with the reports from the secret shopper website review will be sent out explaining the issues and giving the company 14 days to correct the issues. The member should submit a response addressing the action taken to cure the noncompliance. If no response is received, a second and final warning letter will be sent.
3. The company receiving the report and warning may otherwise request a review of the results with a detailed explanation if the company believes the findings are in error.
4. These requests will be reviewed by the Standards committee and if accepted, the issue will be deemed resolved.
5. If not accepted by the standards committee the decision may be appealed to the Executive Board of the AFCC and a decision will be made within 30 days. If such final decision confirms noncompliance, the member must submit a response addressing the action taken to cure the noncompliance.
6. Failure to respond will result in a change in company status to "not in good standing".
7. Second violation of same issue - A warning letter along with the reports from the secret shopper website review will be sent out explaining the issues and giving the company 14 days to correct the issues. A company's status will be changed to "not in good standing" and the AFCC website will be updated to reflect such change unless within 14 days the member responds satisfactorily or effectively challenges the findings as detailed above for first violations.
8. A member who is "not in good standing" must submit a response addressing the action taken to cure the noncompliance that satisfies the review board, upon which such member's status will be restored. Any member's status that remains "not in good standing" for 30 days or more may be subject to further discipline including suspension or termination.
9. Third violation of same issue - The Company's membership will be reviewed for discipline including but not limited to probation, suspension or termination depending on the severity of the noncompliance/violation.
10. A company can reinstate their membership if they pay a \$1,000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval).

Gross Non-compliance of AFCC Standards/Committing a gross violation

1. First violation -a warning letter along with the reports from the secret shopper or investigation will be sent out explaining the issues and giving the company fourteen days to correct the issues.
2. After the 14 day correction period the company will be fully shopped or investigated again. If the company is still found to be committing a gross violation through the secret shopper program or investigation, a new report will be issued to the offending company with the deficiency and violations and the company will be suspended



for 30 days. The company can request that in four weeks they be shopped or investigated again at their own expense. If a request is not made to be re-shopped or investigated before the end of the 30 day suspension, membership will be automatically terminated. A company will be shopped twice within a 2 week period after the 30 day suspension and if found to be compliant, membership will be reinstated.

3. Second violation – The AFCC’s Executive Board will review the claims and the results of any investigation and may take appropriate disciplinary action up to and including immediate termination of membership.
4. A company can reinstate their membership if they pay a \$1000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the Executive Board upon its approval).

Definition of Gross Violation:

Any of the following constitutes a gross violation:

1. A significant number or frequently repeated minor violations
2. Conduct that on its face rises to the level of malice, fraud, intentional bad faith or unconscionable or serious intentional misconduct.
3. Evidence of an overall failure to abide by AFCC standards as a whole or engaging in activities that are significantly inconsistent with AFCC standards.
4. Failure to abide by a core standard specifically including the following:
 - a. Failure to completely or accurately disclose all fees in the client agreement.
 - b. Failure to provide a copy of the AFCC disclosure statement or make available the link to the AFCC disclosures on the member’s website.
 - c. Engage in any sales or marketing that is unfair or deceptive.
 - d. Failure to conduct a review of a consumer’s budget to determine the consumer can afford the credit advocacy plan.
5. Misuse of a consumer’s confidential information.
6. Directly holding or controlling consumer funds (not fees).
7. Violating federal or state law relating to credit advocacy or debt relief services.
8. Charging Advance Fees (as defined in the FTC debt relief amendments to the TSR) for any credit advocacy or debt relief services.

Special Circumstance Discipline

If, in the reasonable judgment of the Executive Board of the AFCC, any member or vendor is in violation of and AFCC-required standard of performance that poses special risk, or creates unusual circumstances or issues, or raises just cause, the member or vendor may be warned, suspended or terminated with or without notice, as the Executive Board shall determine. In making such a determination the Executive Board shall consider not only the gravity of the alleged violation(s) but also the best interests of the membership and the industry.

Lack of response on client validation letter request.

1. First request missed: A warning letter will be sent out within 7 days of the deadline for submission. The letter will state that if the company does not send in a client validation update before the next scheduled monthly dues processing date, dues will be automatically increased to the next level.
2. A second request for validation will be sent out after the company’s dues have been processed at the increased level. The letter will state if the AFCC has not received an updated client validation by the next time dues are processed, membership status will be changed to “Not in Good Standing” and the AFCC website will be changed to reflect this status. The letter will also state that the company’s membership may be cancelled if client validation letter is not received by the next quarterly validation request.
3. If the AFCC has not received an updated client validation by the seventh day following the next semiannual validation request deadline, the company will be sent a notice of the appropriate disciplinary action up to and including immediate termination of membership.
4. If terminated, a company may reinstate their membership if they pay a \$1,000 fine and resubmit a new



membership application that is approved by the membership committee. (The fine may be waived at the discretion of the Executive Board upon its approval).

Falsely reporting client numbers on Client Validation

1. Initial Violation: A warning letter will be sent out giving the company 30 days to respond to the allegations of underreporting client count. The company should respond by supplying supporting documents to the AFCC's main office to prove their client count. If it is found the company underreported, discipline may range from paying back-dues up to termination of membership.
2. If after 30 days the company fails to respond, the company's status will be changed to "Not in good standing" and the website will be updated to reflect such change. A letter of suspension will be sent out letting the company know that they have 14 days to resolve the issue.
3. Failure to respond to the second letter will result in appropriate disciplinary action up to and including immediate termination of membership.
4. A company can reinstate their membership if they pay a \$1,000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the Executive Board upon its approval)

Failure to Pay Dues

1. First month: A warning letter will be sent to the company requesting it resolve the lack of payment before the next billing cycle. If not resolved within 14 days the company's membership status will be reported on the AFCC website as "Not in good Standing".
2. Second month: if dues are not paid up in full, a cancellation letter will be sent out Next Day Mail with tracking. The letter will state that the company has 14 days from receipt of the letter to resolve the issue or the company's membership may be cancelled. Failure to respond or lack of resolution will result in appropriate disciplinary action up to and including immediate termination of membership.
3. If terminated, a company may reinstate their membership if they pay a \$1,000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval).

Non-compliance AFCC Logo standards

1. Initial Violation: A warning letter will be sent to the offending company with a copy of the AFCC's Logo Setup instructions and AFCC's Logo Agreement. The letter will state that the company has 30 days to fix the issue or their status will be changed to "Not in Good Standing" and the AFCC website will be updated with such change.
2. After 30 days the company's website will be checked again for compliance with logo standards. If not in compliance the company's status will be changed to "Not in good Standing" and the AFCC website will be updated with such change. A letter will go out apprising the company of its status change and that if not resolved within 30 more days the company will receive appropriate disciplinary action up to and including immediate termination of membership.
3. If the logo issue is not resolved after the second 30 day period appropriate disciplinary action will be taken up to and including immediate termination of membership.
4. A company can reinstate their membership if they pay a \$1,000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the Executive Board upon its approval).

Lack of Response to a Consumer Complaint Received by AFCC

1. If a Consumer complaint is received by the AFCC office from a consumer it will be taken seriously and sent to Compliant Committee for review and action. The consumer complaint will be forwarded by the AFCC office to the company to attempt to resolve the complaint amicably. The complaint



should be addressed with the consumer within 30 days and a written response should be sent to the consumer and a copy should be sent to the AFCC. An amicable resolution may not be possible but a response should be made regardless.

2. If the company does not respond to the consumer or let the AFCC know the disposition of the complaint after 30 days a warning letter will be sent out letting the company know that they have 14 days to respond to the complaint. If after 14 days the complaint has still not been addressed the company's status will be changed to "Not in good standing" and the AFCC website will be updated to reflect this.
3. If the complaint is still not resolved after 30 days of being in a status of "Not in good standing" the company's membership will be terminated.
4. A company can reinstate their membership if they pay a \$1,000 fine and resubmit a new membership application that is approved by the membership committee. (The fine may be waived at the discretion of the executive board upon its approval).

Please sign below indicating you have read and agree to the AFCC Member Enforcement Policies.

Printed Name

Signature

Company

Title

Date



AFCC Uniform Program Disclosure Statement

< company name > is a member of the American Fair Credit Council and has agreed to follow industry “best practices,” as endorsed by the AFCC, including disclosure of the following matters as an integral part of our contract with consumers.

< company name > provides consumers with a debt resolution service more popularly known as debt settlement. Debt settlement is the negotiation of less than full balance settlements of unsecured debt on behalf of consumers who are experiencing financial hardship. **< company name >** wants you to understand both the potential benefits and risks that may arise out of your debt settlement program and to be sure you have reasonable expectations regarding all potential outcomes.

BY SIGNING BELOW, YOU ARE CONFIRMING THAT **< company name > HAS EXPLAINED TO YOU, AND YOU UNDERSTAND, ALL THE ISSUES SET FORTH BELOW.** If you wish to discuss or comment on any of these disclosures or discuss any aspect of your debt settlement program, please email us at info@americanfaircreditcouncil.org with your contact information and the AFCC compliance department will respond to you as quickly as possible.

1. **You are enrolling into a debt settlement program.** The objective of your debt settlement program is for **< company name >** to negotiate mutually agreeable resolutions between you and each of your creditor(s) for the resolution of your unsecured debt(s), which are itemized as part of your enrollment agreement and are referred to as Enrolled Debts. You understand and acknowledge that no specific results can be predicted or guaranteed.
2. **You will be responsible for saving sufficient funds to enable **< company name >** to negotiate debt resolutions on your behalf.** In order for **< company name >** to negotiate on your behalf, you must adhere to a regular schedule of deposits. These funds will be deposited into a separate FDIC-insured bank account that you and only you will control. Under no circumstances will **< company name >** have custody or control of the funds you set aside.
3. **The savings program necessary to settle your debts is detailed in your enrollment agreement.** Summaries of the minimum monthly savings amount and the estimated period needed to settle all of your debts have been prepared for you. Actual resolution amounts, and the period required to settle all of your debts are likely to vary, possibly substantially, from these estimates, based on creditor behavior, your ability and willingness to keep to your deposit schedule and other factors.
4. **While most creditors and collectors are eager to negotiate with debt settlement service providers, **< company name >** cannot force creditors to negotiate with them or to accept an offered settlement.** Communications with creditors are handled on a case by case basis. Some creditors may not be contacted for several months after you enroll.
5. **< company name >** is not a credit counseling service and does not make regular payments on your behalf to your creditors. Your creditors may continue to pursue collection efforts on delinquent accounts while you are enrolled in a debt settlement program. Such collection efforts can include phone calls and letters to you, sending delinquent accounts to collection agencies or even filing a lawsuit against you.
6. **Your debt settlement program assumes an effort that will continue for many months.** The time needed to produce a settlement of a given debt depends on several factors. These include: (a) your financial hardship, (b) the age and balance of the accounts that you owe, (c) the funds you have available to pay to your creditors for a settlement and (d) the willingness of your creditors to enter into debt settlement negotiations. While no guarantees can be given, generally the more money you are able to set aside the sooner we will be able to start negotiating settlements for you.
7. **Fees paid to a debt settlement services provider such as **< company name >** are not available to pay creditors.** The fees paid to **< company name >** are intended to compensate them for their efforts and will only be refundable to the extent they have not been deemed to have been earned in the manner described in the Client Agreement. Those fees are not being set aside or held in escrow to fund debt settlements.
8. **< company name >** is not a law firm and does not and cannot provide legal advice or counsel, and your signature, below, acknowledges that you have been advised of this. Should you be sued, you should consult with a lawyer licensed to practice in your jurisdiction.
9. **You have told us that you are in a verifiable state of financial hardship and are unable to meet, on an ongoing basis, the minimum periodic payments required by your creditors to pay off your debts.** If you do not make the minimum periodic payments on your debts your delinquencies will likely be reported to the consumer reporting agencies as late, delinquent, charged-off or past due balances. Your creditor may also raise the interest rate on your account and impose other penalties, such as late fees, over-limit fees and the like. Until your account is charged off, your account balance may continue to grow as your creditor adds accrued interest and fees and penalties, and, if negotiations are unsuccessful, you could be called upon to pay the entire balance. Even if we are successful in negotiating a less than full balance resolution for you, your creditor may report to the credit reporting agencies that the account was “settled for less than the full amount.”
10. **When your creditor agrees to settle a debt, a savings of \$600 or more (meaning at least \$600 less than what you owe at the time of settlement) may be reported by your creditor to the IRS as Discharge of Indebtedness income.** You should consult your tax advisor to determine whether your individual circumstances require you to include any Discharge of Indebtedness Income in your reportable income, or whether you qualify for an insolvency exclusion. For more information on tax ramifications to you personally, refer to the IRS website www.irs.gov IRS Publication 908-“Bankruptcy Tax Guide” and IRS Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness.



To summarize, each case is unique and results, dependent as they are upon both your ability to set aside sufficient funds and your creditor's willingness to negotiate a less than full balance settlement, may be expected to vary widely. For consumers in verifiable states of financial hardship, a debt settlement program can be a very effective way to resolve unsecured debt but it is not a painless process and no guarantees as to settlement amounts or timing can be given.

Finally, we encourage you to report any concerns with your debt settlement program directly to the AFCC via email: info@americanfaircreditcouncil.org.

Please sign below indicating you have read and understand the AFCC Uniform Program Disclosure Statement.

Client Signature

Date

Print Name