



# Guidelines for Success in Debt Settlement

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## Debt Settlement Program

Debt Settlement or Debt Arbitration is a legal process used by individuals to negotiate the settlement of existing legal debt with a creditor. This proactive approach is the most cost-effective option to pay off debt while avoiding the negative effects of bankruptcy. Any person owing credit card debt, or any other debt, has the legal right to contact and negotiate with their creditors. However this process takes time to master and requires certain skills to achieve maximum benefits. Debt Aid Processing works diligently and professionally on your behalf to reduce your current unsecured debt balances 40-60% by arbitrating an agreed settlement amount with your creditors.

Debt Settlement may be an appropriate alternative for individuals who may otherwise be considering bankruptcy. Creditors are usually willing to settle for less than the amount owed when a person is under financial strain because if the person is forced to declare bankruptcy, the creditors receive nothing. Debt Aid Processing assists clients by establishing an affordable monthly savings goal for the settlement of debt. Ultimately as each account is settled, the creditors will consider the accounts paid with a zero balance. A debt settlement program will have a short-term adverse effect on your credit during the program which may affect your ability to apply for new credit while your accounts are being settled. Once debt has been paid off through a settlement program, a client is then free to rebuild a solid credit profile without the burden and stress of outstanding debt.

Our team of experienced debt settlement negotiators will work individually with each client to help determine the program best suited for their particular situation and personal goals. We will set you up with an affordable monthly payment, which is determined on a client-by-client basis between you and a counselor. Based upon what you are able to pay each month into your settlement account, we can determine how many months you will be part of the program, and ultimately be debt free. Throughout the program, we communicate with your creditors on your behalf and soon you will no longer be dealing with burdensome phone calls and letters from your creditors. Debt Aid Processing maintains and continues to develop relationships with creditors throughout the country. By establishing cooperative and professional relationships with each creditor we are able to reach the most favorable settlement offers for our clients. Debt settlement companies are independent companies not affiliated with your creditors which means we work directly and 100% for you!

Our goal is to provide our clients with an affordable program to get back on their feet financially within 12 to 36 months and find a real solution for the strain and stress caused by debt. With honest and informative advice, outstanding customer service, and a proven debt settlement process we can ensure our clients become debt free quickly and get back on the path of financial freedom.

Thank you for joining our team and we look forward to servicing you!

## Welcome to Debt Aid Processing

The process of settling debts held by creditors has been around for many years, but has only recently become a standard practice for regular consumers. The concept is very simple: negotiate with the creditor or collector holding the unsecured debt to settle the account at a lower amount than the total balance owed. When a creditor issues credit to a consumer, they evaluate the risk level associated with lending money to that individual, usually based on that information appearing on their credit report. These creditors know that it is inevitable that a certain portion of their clients they issue credit to will ultimately become unable to pay back the money they have been lent on their credit card. That is a major reason why interest rates on credit cards are so high, to offset the risk of losing money on those clients who are unable to pay their creditor back.

ALTHOUGH WE CANNOT LEGALLY TELL ANYONE TO STOP PAYING THEIR CREDITORS, the only way a settlement program will be successful for our clients is if they stop making their high interest payments to their creditors. Otherwise, the creditor is perfectly happy continuing to collect their high interest payments each month from our client. Credit card companies make their extraordinary profits by having their customers keep their balances and interest rates as high as possible. When the client stops making their payments for even just a few months, the creditor becomes very willing to collect a lump sum payment for a portion of the balance owed on the closed account and consider the account settled in full. In most cases, it takes too much time, effort, and money for it to be profitable for creditor to pursue their debtors and try to collect the full amount. The worst thing that will happen to a debtor that is behind on payments is that they will receive collection phone calls or receive written payment notices in the mail.

In many cases, settlement negotiations are handled not with the original creditor, but rather a collection agency. These collection companies are in the business of buying the rights to outstanding, delinquent debts from creditors for pennies on the dollar and then pursuing the debtor owing that money directly, trying to collect as much money as they can. This works well for our enrolled clients because the collectors simply want to make a profit on the amount they paid for the right to that debt. So even a very small settlement offer from our debt arbitrators will satisfy them and they will consider the debt settled in full.

### **Why choose debt settlement to get out of debt?**

When a consumer is in debt and they are unable to either keep up with their minimum payments, or pay enough above their minimum payments to ever realistically pay off their balances, there are only so many options they have to ever become debt free:

#### **Bankruptcy:**

- You must get credit counseling from a government-approved organization within six months before you file for any bankruptcy relief.
- Must get approval by a judge in a court to see if consumer is eligible for bankruptcy.

#### **Chapter 7**

- Involves the liquidation of all assets that are not exempt.
- Stays on consumer's credit report for 10 years, making it impossible to qualify for a loan in the future.

#### **Chapter 13**

- Shows on consumer's credit report for 10 years.
- Liquidation
- Garnishment

#### **Consumer Credit Counseling:**

- Does not tackle the root cause of the debt problem itself, which is the principal balance owed.
- Regardless will pay back the full amount, plus interest.
- Remains on credit report for 7-10 years, shows similar to Bankruptcy.
- Makes it impossible to qualify for a line of credit, or a loan.

#### **Paying off debts with home equity with a refinance or HELOC:**

- Takes an unsecured debt and secures it to the debtors most valuable asset they will ever have, their home.
- Consider the Risk of losing home.

#### **Debt Settlement:**

- Pay off each of the debts at a fraction of what is owed instead of the full balance.
- Very little effect on credit report compared to bankruptcy, or credit counseling.
- In the eyes of the credit bureaus, the consumer paid the debts off on their own. since the payment made at the time of settlement comes from the consumer.
- Our clients are debt free usually within only 36 months.

### **SALES PROCESS:**

1. **60 Second Qualification:** Don't waste your time if we cannot help them
2. **Find out their situation:** Ask open ended questions and get them talking
3. **Let the caller know they are not alone:** A person is not judged by what their credit report looks like.
4. **Educate the caller about their options:** Paying interest forever, bankruptcy, consolidation, consumer credit counseling.
5. **Tell them about the benefits of debt settlement:** The benefits far outweigh any of the drawback
6. **Personalize:** Paint a picture of how much better their life will be after completing our program.
7. **Ask what payment they are looking for:** What will fit their budget more easily each month.
8. **Detail the estimated savings:** and all fees associated with the program and present the payment

## **Always be closing, and ask for the sale every time!**

### **The secrets of closing a sale**

First know your product; second, make a commitment to your success; and third, you need a tremendous amount of patience and perseverance.

Creating desire within your prospects to utilize the debt negotiation program is relatively simple after thorough training, but it's the ability to close a sale that separates the professionals from the amateurs.

### **Sell today, not tomorrow**

The primary secret to closing a sale is to sell the program on the first contact with the prospect. In other words sell today!

### **The Now Factor**

The "now factor" is the constant reinforcement to your prospect that he/she needs this program today! Several times during the conversation, get the customer to commit to his/her need for the program. Do this by asking closing questions, such as, "Don't you agree that you need to take control of this debt situation?" or, "When is the best time to get rid of this debt?"

If a prospect does not want to join today, what makes you think he/she will join tomorrow, or next week, or ever? Some of the most successful people in the debt relief business maintain that, "If you don't sell on the first try; chances are they won't sign up." Convince yourself that it is now or never, DO OR DIE! Convince your prospect that joining the program in order to have peace of mind is a priority decision. Not doing anything will cost thousands of dollars and only further harm their credit and quality of life. Reinforce the fact that the only way to get rid of the debt in the customer's life is to join our program today.

“When something does not work, you stop doing it right?” Could we also agree that your debt isn’t going to just disappear or go away, right?” If you continue the cycle you are in, you’re costing yourself and your family thousands of dollars and many years of feeling stuck.

If you take control NOW and begin using our program, the debt goes away, you have more money at the end of the month, and you can have a peace of mind knowing that you are finally going to be debt free!

### **Help your prospect make a decision**

Always assume that your customer wants your help in making the decision to start the program. Remember, YOU are the consultant. GUIDE THEM! Everyone may want to be debt free, but few people have the courage or initiative to make a decision right away. Your job is to help your prospect decide to join the program as soon as possible.

### **When to start closing a sale**

The time to start closing a sale is the minute you connect with them on the call. From the very first word you say, assume that your customer will join the program. Your only goal is closing the sale, so make sure that everything that you say contributes to that end.

### **The Trial close**

Traditionally, the trial close is used when a prospect displays a buying signal. You should utilize trial closes throughout your presentation to get a commitment from your prospect. You are responsible for making the program an absolute priority in your prospects mind. All trial closes should be in the form of a question. For example, if your prospect says “I guess I need to deal with it eventually” you should say “Of course, there’s no better time to make a change than right now!”

Make sure the question you ask cannot be answered with a “No” If you always ask the right question, you will always get the right answer.

### **How to handle objections**

There is only one real objection, and it’s your job to find it, and then overcome it. Learn to distinguish between objections and excuses. “My payments are too high, or I have to wait for my husband/wife” are all excuses. Persuade your prospect that the program has tremendous value.

During a presentation, there are two sales jobs going on at the same time: You’re trying to sell them into our program, and your prospect is trying to sell you on an excuse. May the strongest salesperson win! Every time you overcome one excuse, they’ll try another, and another, until at last they will get the real objection. When you overcome that, you have made the sale and saved a family thousands of dollars and years of precious time.

### **Getting a Commitment to payments**

Getting financial commitments may be the most difficult part of a sale. Getting the prospect to give you a commitment is an entirely different call game than getting him/her

to follow through. In order to avoid cancels, and loss of money to both you and the company, you've got to make every effort to get as firm a commitment as you can.

### **Prove that the program is worth it**

You're probably aware that when you ask for commitments from your prospects, they'll swear to you that they haven't seen an extra twenty dollars in months, but don't believe it. A percentage of your customers will tell you that they are broke, and that they can't fit a larger monthly payment into their family budget. However, virtually everyone can raise money if the cause is worth it.

### **Objections**

**A weak salesperson hates them, but a strong salesperson loves them!!!**

There are only 3 reasons why a prospect cannot enroll in a debt settlement program:

1. Not the right type of debt:

- **Secured debt**- Physical collateral tied to the money owed; for example, a home, or land, or a car, Etc. This is called secured debt because the money owed is secured with the collateral. If monthly payments on any secured debts stops, then the collateral is foreclosed or repossessed.
- **Government insured debt**: Sallie Mae or most other student loans and IRS tax debt are common forms of government backed debt.
- **Payday Advance Loan**: Cash call is a commonly known company that issues these types of short term, high interest loans.

2. Under the Minimum debt amount:

- **Individual accounts**- must exceed \$750 on each enrolled account
- **Total debt amount**- Generally we require that the consumer has a minimum of \$10,000 in total debt.

3. Client cannot afford the monthly payment to complete the program:

- **Monthly Budget**: the client must be able to afford at least the minimum program payment option available.

### **What are my responsibilities to get out of debt?**

1. Take a good look at how much money you spend.

Clients who do not make the required monthly payments to settle their accounts cannot succeed no matter what your attorneys do because they cannot pay the settlement offers that we will obtain for them. • Could you work more hours or have a second job. Is there anything you could sell? Be open to options you may have never considered and you will do really well at taking care of your debt situation.

Having written Correspondence from your creditor is typically more trustworthy than verbal correspondence.

## 2. Communicate with your creditors in writing only!!!

This does not mean that we do not want contact with creditors. We DO want to have contact with them, but only in a way that supports you becoming debt free.

When a creditor calls on the phone they are going to say anything they can to get a payment. Expect to hear comments such as "We haven't received a proposal," "We don't work with debt negotiation companies or lawyers," or "If you don't make a payment your wages could be garnished." You can control the communication by dealing with your creditor only in writing. This will eliminate the possibility of threatening or false statements being made.

## 3. Remember creditors will tell you that we don't talk to them, but we do!

Consider this: collections officers are paid to get anything from you no matter how small the payment. So they will TRY ANYTHING to get not only your money, but your confidence.

The collections officers do NOT know anything about you; they don't know who you are and where you come from. So they can't harm you and any threats they have come from wanting a bigger paycheck, not wanting "what's best" for you. They also are mean and or cruel; they are getting paid to do their job.

\* Re-assure the clients of these 3 things and the "Must Have's of Conversation" and you will be clear of any problems.\*

## **GUIDELINES FOR DEBT AID PROCESSING**

Customer service line 800-552-2269

## TOP "MUST HAVE" CONVERSATIONS WITH CLIENT

- You are no longer making payments directly to your credit card company but rather into your own trust account.
- You will get phone calls from creditors for at least 3-6 months (you owe them money of course they are going to call you but they cannot harass).
- Go over their fees and let them know it is rolled into the program.
- If they are entering a creditor that they currently bank with, advise them to change banks. The bank could go into account and take money for payments
- Make sure to set an appt to go over the contract with the client. It will keep them more involved and if they have any questions, you can go over everything right then and there.

### Can my customer enroll business debt?

Debt Aid Processing does support the maintenance and support of commercial and other business debt owed by consumers and their commercial enterprises in many circumstances. Some key questions that need to be answered before enrolling business debt include the following:

- In whose name was the credit established? (individual name only, individual co-signing for the business, business only)
- Is the business still open?
- How is the business set up? (LLC, sole proprietorship, joint venture, etc.)

Debt Aid Processing will only enroll such commercial debt owed by consumers where:

1. the commercial enterprise that owes the debt is no longer operating or can document a wind-down plan for the enterprise to be complete within sixty (60) days of enrolling the debt; where the latter is true, Debt Aid Processing reserves the right to release the commercial account(s) in the event the business does not wind down as stated.
2. the commercial enterprise enrolling the debt cannot hold assets; in the event the business does hold assets, Debt Aid Processing may service the debt with a customer-executed waiver of liability indicating the consumer has been advised and understands that such assets may be lost due to forfeiture, and that any such loss or forfeiture will not serve as the basis for any claim against Debt Aid Processing or any other client company.
3. the individual whose commercial enterprise owes the debt acknowledges and affirms that they have advised that their own personal assets may be at risk and subject to lien and other seizure proceedings related to the business debt enrolled (and executes a waiver and release of Debt Aid Processing and client company pertaining to any such seizure).

In short, Debt Aid Processing will consider and will enroll all business and commercial debt of our consumers (and those of our client companies) in the event these conditions are met wherein clients have been fully apprised of the risk involved with enrolling the commercial debt and wherein those clients have agreed to hold Debt Aid Processing and our client companies totally harmless for any negatives results following the enrollment and settlement processing of such debts.

If you have any questions regarding this notice, please email Support at

[Support@DebtAidProcessing.com](mailto:Support@DebtAidProcessing.com)

## **KEY FACTORS, QUESTIONS AND BENEFITS OF DEBT SETTLEMENT**

- Lower your payments immediately
- Be debt free in 12-48 months
- Cut your monthly payments down 50%
- Make one simple payment
- Reduce your Debt 40-60%
- Pay off unsecured debt in 1-4 yrs vs. 25 yrs with compound interest and fees
- A chance to start all over
- Zero balance. You are informed of all settlement offers made by your creditors and given the opportunity to accept or refuse. Once paid, you no longer owe a penny... you have a remaining balance of ZERO!
- Client can choose how much they can afford a month and how long they want to be enrolled in the program depending on financial situation
- No credit check
- Home ownership not required
- Avoid Bankruptcy

### **\*Who qualifies for this program?**

Debt Aid Processing's debt settlement program is only for people facing financial hardship. Debt settlement programs are for people who are late on paying their debts, are struggling with their minimum monthly payments, or have little or no ability to pay their debts in the future and are possibly facing bankruptcy. This proactive approach is the most cost-effective option for people facing hardships including but not limited to:

- Reduced income
- Job Loss
- Divorce
- Poor money management
- Underemployment
- Medical Expenses

### **\* How will Debt Aid Processing settle my debts?**

We will set you up with an affordable monthly payment in line with your income and expense budget and based on your total amount of debt. This payment amount is determined on a client by-client basis between you and a debt consultant. Based upon what you are able to pay each month into your settlement account, we can determine how many months you will be part of the program, and ultimately be debt free. Your payments are put aside in your settlement account on a monthly basis. Debt Aid Processing will begin the negotiation process once you have accumulated enough settlement funds to make a reasonable offer to your creditors to settle the debt. Once a creditor agrees to a settlement amount, the settlement offer will be presented to you. If you approve of the settlement, the creditor will fax over the 'settlement offer' in writing. Finally, our negotiations department will arrange a three way recorded conversation with you, the creditor and us to settle the account. Debts can be settled in two different ways. They can be paid either in one lump sum or a term settlement paid over an extended period of time. Debt Aid Processing settles each of your accounts individually until all of your debts have been paid and you are debt free.

### **\*Can I get a good score again?**

The level of effect will depend on your original credit profile. If you are already delinquent on your accounts, a debt settlement program may not have much effect since the accounts are already reporting derogatory on your credit report. If you have delinquent unpaid accounts, debt settlement may be an excellent option to resolve the unpaid balances. If your accounts are still in good standing, debt settlement will have a temporary negative effect on your credit score. Your creditors will continue to report your accounts as "past due", "charged off", or "in collections" until the debt is settled. Settled accounts with a zero balance are positive compared to unresolved delinquent debts or bankruptcy. After all the debts have been settled and paid, your credit score should begin to improve since the negative items have been resolved. There are several factors used to determine your credit score including your debt amount, balance to limit ratio, payment history, length of credit history, and types of accounts. Although your payment history will be affected with a debt settlement program, your debt amount and balance to limit ratios will be greatly improved. As each of your accounts are settled throughout the debt settlement program you are then free to rebuild your payment history on your new or existing accounts and rebuild a solid credit profile. A high credit score is desirable to have, but if you are facing a financial hardship and are unable to pay your accounts, then your first priority should be to pay your delinquent debts and get back on your feet financially.

### **\*Can I still use my credit cards if I use this program?**

Any account that you enroll in the program will no longer be active. Any cards you do not put into the program should only be used for emergency purposes. This program is for you to get out of debt to get you back on your feet financially.

### **\*Can the creditors pursue legal action against me?**

Lawsuits are not common but your creditors certainly have the right to pursue legal action to recover their money. In our experience, most creditors would rather not go to the expense of suing and simply try to negotiate a settlement. The threat of lawsuits is a common tactic of aggressive creditors or collection agencies. The reality is that such action rarely occurs. It takes time and costs money to file a lawsuit and even more to collect on a judgment. A wage garnishment takes time, depends heavily on your employment, and may not even be applicable in your state. If you own a home it is difficult for a creditor to attach a lien to your home and your home may be protected by your state's homestead act. It is typically more cost effective for a creditor to settle on an account than to pursue legal action. Creditors realize that if they push you too hard they run risk of you filing for bankruptcy, in which case they often receive nothing.

### **\*Can Debt Aid Processing stop calls from creditors?**

Your creditors have the right to try and contact you in order to collect a debt. For the first few months of the program you may still receive calls from your creditors inquiring about your accounts but the calls will eventually decrease or stop altogether. We have been successful however in eliminating most harassing telephone calls. You have rights and protection under The Fair Debt Collection Practices Act (FDCPA) and our client services department makes sure you are informed of these rights. If your account is in collections, collections agencies have to adhere to the FDCPA Guidelines. Under the Fair Debt Collection Practices Act:

- Debt collectors may contact you only between 8 a.m. and 9 p.m.
- Debt collectors may not contact you at work if they know your employer disapproves.
- Debt collectors may not harass, oppress, or abuse you.
- Debt collectors may not lie, such as falsely implying that you have committed a crime.
- Debt collectors must identify themselves to you on the phone.
- Debt collectors must stop contacting you if you ask them to do so in writing

### **\*Can my wages be garnished by my creditors?**

Creditors have the right to pursue legal action and perhaps ultimately a wage garnishment to recover their money although it is rare and can be a long process for the creditors. The creditor first has to spend the time and money to file a lawsuit, successfully obtain a judgment, and then file for a garnishment action. In addition, a wage garnishment depends heavily on your employment, and may not even be applicable in your state. If you're willing to work with your creditors, any legal action, including wage garnishment can normally be avoided.

### **\*Can't I negotiate the debt on my own?**

YES, you can always attempt to negotiate your debts with your creditors on your own. However, the debt settlement process can be a long and complex process for the average person especially when dealing with multiple creditors. Debt Aid Processing already has working relationships with each of your creditors and years of experience negotiating the most beneficial settlements for our clients. With our program you don't have to spend all of the time and effort trying to negotiate with your creditors on your own and you can rely on our experience to get the best settlement for you.

### **\*What are the tax consequences?**

Your creditors may provide a form 1099-C for cancelled or settled debt exceeding \$600 which you are required to report to the IRS. The forgiven debt may be reported as income on your annual tax return. This does not necessarily mean that you will owe taxes on the forgiven portion of the debt. The IRS permits individuals to legally exclude forgiven debt from their income through the "insolvency exclusion". This permits you to write off any forgiven debts up to the amount by which you were "insolvent" at the time. If your total debt and liabilities exceed the fair market value of all your assets, you would ordinarily qualify for the exclusion. We recommend that you consult your tax advisor for advice specific to your situation. They will also be able to assist you on filling out IRS Form 982 to get the exclusion.

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