

MANAGING YOUR MONEY \$

Don't Be Burned By Debt Elimination Scams

(NAPS)—When it comes to eliminating debt, it could pay to follow some expert advice.

Analysts say to watch out for schemes that promise to eliminate debt at a tiny fraction of what is actually owed. The plans generally don't work and could end up hurting you more than they help.

"Over the last year, we've seen thousands of letters from debt elimination fraudsters who have charged consumers from \$400 to \$7,000 for worthless advice," said the Comptroller of the Currency John C. Dugan. "In the end, consumers still owe on their debts and have lost the money paid to the fraudsters. They may have also hurt their credit record and compromised their identity by providing personal information, including account numbers."

Who Is Targeted

The schemes focus on people who are current on their payments as well as those who may be facing foreclosure. The cons claim they can eliminate various debt, including mortgages, credit card balances and other loans.

What To Watch For

Schemes vary wildly. A recent variation involves fraudsters sending the Office of the Comptroller of the Currency's (OCC) Customer Complaint Form in a package of documents and asking the victim to sign the last page, leaving the rest of the form blank. The fraudster then completes the form and sends it into the OCC, falsely claiming that the financial institution acted improperly.

Fraudsters might use technical and legal-sounding language to give victims a sense of competence



Knowing the signs of debt collection scams can help protect your money and your identity.

and credibility, but remember, no one can magically make debt disappear by paying a third party a fee that's a small fraction of the amount legally owed.

What You Can Do

OCC officials encourage consumers to contact their creditors. Often, banks and other financial institutions are in the best position to work with borrowers to correct mistakes or to work out plans to assist you.

Consumers who are concerned about foreclosure may benefit from credit counseling. The Center for Foreclosure Solutions provides counselors around the clock, seven days a week, at (888) 995-HOPE to assist in English and Spanish.

Consumers with questions about their bank can visit www.HelpWithMyBank.gov. The site provides answers to common banking questions and instructions on contacting the OCC or legitimately filing a formal complaint against a bank.

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