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Debt Settlement News - The Association Of Settlement Companies (TASC) Responds To Criticisms Of The Debt Settlement Industry

The Association of Settlement Companies (TASC), the debt settlement industry's regulatory body, recently responded to misleading comments and inaccurate information released by Illinois Attorney General Lisa Madigan and the Chicago Sun-Times. TASC claims that debt settlement is a legitimate industry that has saved thousands of consumers from bankruptcy in addition to collecting millions of dollars in unsecured debt for creditors. So is debt settlement a legitimate industry?

Columbus, OH (PRWEB) April 22, 2010 -- The Association of Settlement Companies (TASC), the debt settlement industry's regulatory body, recently responded to misleading comments and inaccurate information released by Illinois Attorney General Lisa Madigan and the Chicago Sun-Times.

TASC's biggest issue was with the fact that these statements are centered around the idea that the debt settlement industry is filled with scam artists. While it's true that debt settlement, just like every other industry has its share of unethical companies, labeling the whole industry as scam artists is over the line.

The truth is that the debt settlement companies certified under TASC settled debts of more than \$1 billion in 2009. This resulted in approximately \$400 million being collected for creditors while saving the consumers approximately \$600 million. Many of these creditors would not have been able to collect this money if the consumers chose to file bankruptcy instead of entering a debt settlement program. Consumers are able to save money and creditors are able to collect at least a percentage of their money back rather than nothing. Thus, when analyzing the facts, it is hard to argue that debt settlement does not serve a legitimate purpose in the financial sector.

The Illinois attorney general also stated that she believed credit counseling for a non-profit organization was a better decision for the debt ridden consumer. Credit counseling typically takes 4-9 years and the entire principal balance has to be paid off. They work to reduce the interest rate thereby saving the consumer money over the long run. Credit counseling typically takes longer to complete and all of the debt must be paid off. The biggest advantage to credit counseling is that it will protect your credit score however many consumers simply cannot afford it and one or two missed payments often times results in complete termination from the program leaving the consumer worse off than before.

Debt settlement on the other hand was designed specifically for consumers experiencing a financial hardship. Interest rates on unsecured debts such as credit card debts are amongst the highest on the market. It would take an average consumer nearly 40 years if they were to make the minimum payments on a debt balance of \$10k or more. For this reason, many consumers see debt settlement as a practical decision for clearing away unsecured debts. Going to a website like <http://www.freedebtredutionhelp.com> will ensure that consumers are paired up with a legitimate and TASC certified debt settlement company.

Consumers that have at least \$10k in unsecured debt and that can prove a financial hardship will qualify for a debt settlement program. The credit score will be negatively affected upon completion of a debt settlement program and any debt settlement company that says otherwise is not worth doing business with. Most consumers who finish a legitimate debt settlement program are able to eliminate 60% of their debt balance. If you understand the risks and are committed to finishing the program, debt settlement can be a great way to eliminate debt and avoid bankruptcy.

To locate legitimate debt settlement companies that are certified through TASC for some free debt help check out the following link:

<http://www.freedebtredutionhelp.com>

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First Name *

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Amount of Unsecured Debt *

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