



"it's in your best interest to  
**RESEARCH** all your options..."

## YOUR CHOICES

When dealing with your debt issues, it's in your best interest to research all your options thoroughly and decide which option is right for you. The table below summarizes some of the differences between your options.

Benefits	Bankruptcy	Consolidation Loan	Credit Counseling	Continuing Same Path	Capital Debt Settlement
Saving money while fulfilling some of your obligations.	No	No	Yes	No	<b>YES</b>
Fast way to resolve your debt.	Yes	No	No	No	<b>YES</b>
Everyone wins, including you.	No	No	Yes	No	<b>YES</b>

**Pay Minimum** (Do nothing)

- Interest can range from as low as 0% to as high as 30% and creditors can raise rates at any time.
- You'll pay nearly 50% of your original balance in interest alone over the first 3 years. You are not making a dent on your principal balance.
- If your rates are 25% or higher, it is practically impossible to pay off your debt by making minimum payments unless you pay at least 3% of the balance in minimum payments monthly. Even then, it would take you over 35 years to pay off your debt. At lower rates, it will still take 20 to 40 years to pay off your debt with minimum payments with little room for obtaining additional credit.
- If you've already stopped making payments, you are destroying your credit while not resolving any of your debt in the process.

### **File Bankruptcy**

- Both Chapter 7 and Chapter 13 bankruptcy represent a severe negative impact on your credit for 7-10 years and can cost up to \$2,500 to file.
- May have a negative impact on your employment status or future employment.
- In a Chapter 13 filing, you may end up paying 75 - 100% of your debt back with little payment relief. Completion rates for this option are low for this reason.
- Chapter 7 is much more difficult to qualify for under the new bankruptcy laws.
- May result in higher interest rates on future loans.
- Carries a negative stigma, mental stress, and other burdens.
- Bankruptcy should be a last resort.

### **Consumer Debt Counseling**

- Programs are generally funded by the credit card companies themselves as the intent is to help you pay back your debt in full.
- Consolidates your bills into one monthly payment with possible lower interest rates and fees.
- Your balance will often take 3-7 years to pay down.
- Some creditors will "re-age" delinquent debt to show no longer past due after a series of successful in program on-time payments have been made.

- Overall fees of an average credit counseling program are equivalent to or greater than those of a debt settlement programs.
- You'll end up paying back your full balance plus some interest.
- This is often viewed by lending institutions as similar to Chapter 13 Bankruptcy.
- Can be viewed by some lending institutions as similar to Chapter 13 Bankruptcy.
- If you miss multiple payments you may be subject to paying back past interest at your prior to program rates.

#### **Debt Consolidation Loans**

- You must qualify first
- Often requires ownership of Real Estate property or a pledge of collateral with an equitable position.
- Home Equity loan reduces future equity available in your property.
- Consolidates your credit card balances.
- Missing payments could cause you to lose your home or the collateral you pledged.
- Payback can be 10-20 years depending on debt balance and ability to pay back loan.
- You will pay back the full amount of credit card balances plus interest.
- You are exchanging your unsecured debts for a secured debt – this creates a big risk and does not resolve you debt.

#### **Capital Debt Settlement Program**

- A consumer driven program and not affiliated with your creditors. Results are focused in the consumer's interest.
- Fees are spread out over time, usually 12-24 months depending on the length of the program.
- Client's debt is paid off in anywhere from 18 - 48 months depending on cash availability.

- Will receive an 'open delinquency' on your credit until debts are settled.
- You may typically end up paying only 30% to 70% of your outstanding balance.\*

*\* Individual results may vary and are based on successful completion of program and ability to save funds. A debt settlement program does not assume or pay any consumer debts and does not provide legal or tax advice. Program not available in all States. Read and understand all contract terms prior to enrollment.*



Powered by: Nextmill | Built by: RSD

© Copyright 2008 capitaldebtsettlement.com. All Rights Reserved.



**MEMBER**  
International Association of  
Professional Debt Arbitrators

[Home](#) | [About Us](#) | [How We Work](#) | [Getting Started](#) | [FAQ](#) | [Forms](#)  
[Contact Us](#) | [Your Choices](#) | [Privacy Policy](#) | [Terms of Use](#)

[What is Debt Reduction?](#) | [What is Debt Negotiation?](#) | [What is Debt Management?](#) | [What is Debt Relief?](#)  
[Filing For Bankruptcy](#) | [Debt Consolidation Loans](#) | [Credit Counseling](#)



Capital Debt Settlement is a member of (TASC) The Association of Settlement Companies. This trade association has developed a standardized industry disclosure

for consumers.