

## Where do I make my monthly payments?

Payments can be made payable to:

**Catholic Charities Credit Counseling**  
3710 East Avenue South or PO Box 266  
La Crosse, WI 54602-0266

in the form of money order or cashiers check only.  
**NO PERSONAL CHECKS OR CASH.** You may make your payments electronically after all creditors have accepted the proposal.

**Thank you for choosing  
Catholic Charities Credit Counseling**

Your creditor payments are: \_\_\_\_\_ \$

Your monthly fee is: \_\_\_\_\_ \$

Your total payment is: \_\_\_\_\_ \$

Your first payment is due: \_\_\_\_\_

If you have any questions about your budget,  
your credit counselor is:

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If you have questions about a creditor or statement, Contact Sara at  
(608)782-0710 between 9am and 4 PM, Monday - Friday.

**If any problems or questions arise while you are  
with Catholic Charities Credit Counseling  
Please don't hesitate to call.  
Phone: (608)782-0710**

## Questions & Answers



**Catholic Charities  
of the Diocese of La Crosse  
Credit Counseling**

**3710 East Avenue South  
La Crosse, WI 54601**

*A Non-profit Agency*

## **Congratulations on making the decision to take charge of your credit situation**

### ***The Debt Management Program***

The Debt Management Program is a spending plan customized to each client's unique situation to repay debts over a specific period of time as an alternative to bankruptcy. The purpose of this program is to offer a way to become free of credit card debt. The Program helps you resolve a financial crisis. With the help of your counselor you will learn how to regain control and manage your finances.

### ***How the Debt Management Program Works***

The Debt Management Program is voluntary for you and your creditors. Through the Program your debts are consolidated. You make one payment to the agency each month and we disburse the funds to your creditors. Once notified you are on the Program, most of your creditors will cease collection action and stop calling you. Some creditors will reduce or eliminate finance charges, waive late and over limit fees, and some delinquent accounts may be brought current. This means that your payments will be applied directly to the principal with less paid to interest.

### ***Success in the Program is Up to You.***

When you enter into the Debt Management Program you agree to send the proposed payment to the agency each month. While you are on the program, it is important that you **do not** open new accounts or incur any new debt.

### ***What if I can send more money?***

You may send more than your monthly payment at any time. We ask that you enclose a note indicating which creditor(s) should receive the extra funds. If no note is enclosed, the extra funds will be distributed based on the discretion of the DMP manager in charge. If you are making your payment electronically, you will need to send any additional payment to us in a separate money order.

### ***What happens when a creditor is paid in full?***

As soon as the creditor is paid in full, the amount allocated is then applied to the remaining creditors. Your payment amount stays the same.

### ***What if I have a change or the budget isn't working?***

Changes or updates to your budget can be made by calling and talking to your counselor. Some changes can be handled over the phone, while others may require an appointment.

### ***Where can I get more help with daily money management and goal setting?***

Money management and goal setting appointments are offered through our agency. Call our office to discuss your needs with your counselor. It is required for Debt Management Program clients to schedule 2 follow-up visits. The first follow-up visit should occur after 30 days on the program or after the 1st payment is made. The second would be after 90 days on the program. Please bring all statements with you so the counselor can review them with you.

### ***Can I be dropped from the program?***

Yes. You may be terminated from the Debt Management Program if:

- ◆ You miss 2 monthly payments.
- ◆ Your payments are inconsistent or less than the agreed amount.
- ◆ You incur new debt without discussing it with your counselor.
- ◆ You make payments directly to your creditors

### ***Can I send payments to my creditors on my own?***

*Sending payments directly to your creditors could jeopardize your Debt Management Program and your credit report. Please call the agency if you have any questions.*

### ***What if I can't make a full payment?***

To keep you in good standing with your creditors, PAYMENTS MUST BE MADE IN FULL ON OR BEFORE THE PAYMENT DUE DATE each month. If you have a problem making your full payment, contact your counselor **immediately** to discuss the situation. Your counselor will help you work out a solution with your creditors. You will receive a letter from our office automatically any time your payment is not received on time or in full. Additionally, creditors may call you if they do not received their full monthly payment on time and some may drop you from the program.

### ***What if I get a consolidation loan?***

If you obtain a loan to pay off a credit card, please contact your creditor to verify balance and receive a payoff amount. This payment may be made directly to the creditor, but is not recommended. There may be issues associated with payments not paying accounts in full. By making the final payment through the program, we are able to help safeguard you against potential problems.

### ***Will Credit Counseling pay all my creditors?***

Most of the time you will continue to pay your house/rent payment, car payments and miscellaneous monthly living expenses. Creditors are not obligated to accept our proposals and it may take up to 3 months before you know if all your proposals have been accepted. Your counselor will discuss which creditors you will continue paying on your own.

### ***Will this affect my credit rating?***

As long as you adhere to the Debt Management Program, most creditors will report your account as current. However, some creditors may report your account as past due while receiving reduced payments. Some creditors may report your account as late because the payment date may not coincide with your due date. To avoid difficulty, we suggest contacting creditors to move your due date to coincide with our disbursements. We do not report to credit reporting agencies.

### ***Do I have to give up my credit cards?***

The requirement of the Debt Management Program is to stop using all credit cards and do not take on new debts.

### ***Is there a fee for the Debt Management Program?***

There is a one time set up fee of \$25.00 and a minimal monthly processing fee. Ask your counselor for the current fee schedule. The setup fee has to be paid prior to setting up the program.

### ***How long will it take to pay off the creditors?***

Normally, Debt Management Programs are set up to be paid in 36-60 months.

### ***How can I enroll in the Debt Management Program?***

To enroll in a Debt Management Program, you must first contact a Creditor Counselor and review your financial situation. After discussing your financial and credit status you may qualify for the Debt Management Program. In order to qualify you must have enough income to sustain your living expenses plus the debt payments. If the Debt Management Program is not for you, other alternatives will be discussed.

If a Debt Management Program is in your best interest, your counselor will discuss the Program in detail with you and begin the necessary paperwork. You will receive a statement based on the proposed dollar amount to be sent to each creditor monthly. The proposed dollar amount is subject to change, as some creditors may require a larger amount than proposed. The total amount due to all creditors plus the agency fee is the payment you will make to the agency each month to cover the debt repayment.

### ***Will I continue to receive statements from my creditors?***

Creditors continue to send statements to you. Your creditors do not send us statements. Bring or send copies of your statements to the office with your payment so we can update balances and ensure interest rates are adjusted. This is the only way we know what is happening with your account. Occasionally, payments are posted to the account after the statements are printed.

### ***Will I continue to receive phone calls from my creditors?***

If a creditor calls, tell them you are repaying your accounts through Catholic Charities Credit Counseling. Creditors may call to verify your intent to participate in the DMP. Creditors may continue to call you until they accept the proposal and receive the first payment.

### ***What if I have credit protection insurance on the cards?***

It is your responsibility to contact the creditor and cancel the credit protection. Most creditors require cancellation of this insurance before they accept any proposal. Please notify the office when the insurance has been cancelled.

### ***Can I quit the Debt Management Program at any time?***

Yes. The Debt Management Program is an agreement, not a contract. We require that you notify the agency in writing that you are discontinuing the agreement. It is your responsibility to notify creditors. Each creditor can apply previously waived fees and interest rates to accounts no longer enrolled in a debt management program. This will likely increase your interest rate and monthly payment.

### ***What if I quit the program, can I rejoin?***

Yes, you may re-enter the Debt Management Program, however, your commitment to the program will be reviewed by the counselor. Creditors may not re-enroll you in the program once you default on the original agreement.

***Continue to make payments to creditors until the date of your first DMP payment***