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The OFIR mission is to help protect the financial welfare of Michigan consumers.

Before you sign on the dotted line with any company, please protect yourself by working with a licensed debt management firm.

Check the list of licensed firms on the sheet attached to this brochure, or contact the Securities Section of the Office of Financial and Insurance Regulation, Market Conduct Division by phone toll-free at  
1-877-999-6442  
or on the web at  
[www.michigan.gov/ofir](http://www.michigan.gov/ofir)



**Michigan Department of  
Labor & Economic Growth**

Visit OFIR online at: [www.michigan.gov/ofir](http://www.michigan.gov/ofir)  
Phone OFIR toll-free at: 1-877-999-6442

DLEG is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

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Office of Financial and Insurance Regulation  
PO Box 30701  
Lansing MI 48909-8201

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# Are You Drowning in Debt?



There is help...

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## **If you feel that you are drowning in debt, you are not alone.**

Millions of Americans live from paycheck to paycheck. One financial emergency could put them a step away from bankruptcy. If you are drowning in debt, let the Michigan Office of Financial and Insurance Regulation (OFIR) help protect you from further despair.

There are legitimate, state-regulated entities called *Debt Management Firms* that can help you consolidate your debt and put you on the road to financial recovery.

***If you are a Michigan resident, any company that takes possession of your money and pays your creditors for you MUST be licensed as a debt management firm in Michigan.***

Unfortunately, some companies promise to eliminate your debt and charge high fees in the process. These companies often encourage their clients to stop all contact with their creditors and ask that they ignore calls from collection agencies. People who sign contracts with these types of companies usually end up in a far worse situation than when they started.

***We want to make sure this doesn't happen to you.***

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## **When you decide to seek help managing your debt...**

OFIR strongly encourages you to work with a licensed, state-regulated debt management firm. These firms must follow the Michigan Debt Management Act, PA 148 of 1975, as amended. The law requires that all directors and officers of the firm, as well as the counselors that deal with Michigan consumers pass a debt management exam. These individuals provide OFIR with sworn statements of character and fingerprint cards. This helps ensure that debt counselors who work with Michigan consumers meet high standards, are accountable, and understand their responsibilities under Michigan law.



Michigan law limits the amount of money debt management firms can charge for their services. The most a firm can legally charge is 15% of the amount of the debt to be liquidated. For example, if a firm liquidates \$5,000 of your debt, the most you could be charged is \$750 during the term of the contract. There could be additional penalty fees that apply in certain situations.

OFIR monitors these licensed firms on a regular basis. If a complaint is received, it is promptly investigated.

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BEWARE of companies or offers that claim to: "Eliminate your debt," "Repair your credit" or "Settle your debt for pennies on the dollar."

Offers like these are known "hooks" that have been used by unscrupulous companies to "reel-in" desperate individuals looking for a fast and easy solution to their debt problems.



BEWARE of Internet sites that offer to work with you entirely on-line "to protect your privacy." Its more likely they are shielding their own identity and location. After all, if you can't find them, what can you do if something goes wrong?

***We depend on help from Michigan citizens to report unlicensed debt management activity.***

If you are aware of a company that should be licensed under Michigan law but isn't, **PLEASE REPORT THIS UNLICENSED ACTIVITY TO OFIS IMMEDIATELY** so we can take action to protect you and others.

***Phone OFIR toll free at 1-877-999-6442***

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