
The DIFS 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 Office of Consumer Services of the Department of Insurance and Financial Services by phone toll-free at 1-877-999-6442 or on the web at www.michigan.gov/difs



DIFS

**Michigan Department of Insurance
and Financial Services**
Visit DIFS online at: www.michigan.gov/difs
Phone DIFS toll-free at: 877-999-6442

DIFS is an equal opportunity employer/program.
Auxiliary aids, services and other reasonable accommodations are
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Department of Insurance and Financial Services
PO Box 30220
Lansing MI 48909-7720

Are You Drowning in Debt?



There is help...

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 Department of Insurance and Financial Services (DIFS) 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.

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

DIFS 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 DIFS 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.

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

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 online "to protect your privacy." It's 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 DIFS IMMEDIATELY** so we can take action to protect you and others.

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