

The Michigan Department of Insurance and Financial Services (DIFS) mission is to provide a business climate that promotes economic growth while ensuring that the insurance and financial services industries are safe, sound, and entitled to public confidence.

In addition, the Department provides consumer protection, outreach, and education services to Michigan citizens.

Protect yourself by working with a licensed debt management firm. Check the list of licensed firms on our website, or contact the Office of Consumers Services of DIFS.

877-999-6442

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[www.michigan.gov/difs](http://www.michigan.gov/difs)

DIFS is an equal opportunity employer/program. Auxiliary aids, services, and other reasonable accommodations are available upon request.  
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Lansing, MI 48909-7720

# ARE YOU DROWNING IN DEBT?

## THERE IS HELP



# 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 does not happen to you.

# SEEKING HELP

DIFS strongly encourages you to work with a licensed, state-regulated debt management firm. These firms must follow the Michigan Debt Management Act, 1975 PA 148, as amended. The law requires that all counselors that work with Michigan consumers become certified by a Michigan-approved training program or a certification organization. This ensures the competency of the individuals that provide education and assistance to our Michigan consumers in connection with debt counseling and financial counseling functions.

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?

If you are aware of a company that should be licensed under MI law but isn't, **please report this unlicensed activity to DIFS immediately** so we can take action to protect you and other consumers.

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

