

# Who Benefits From a Debt Management Program

For many of us, these past months have been marked with a level of uncertainty – especially around finances. In the face of unexpected changes in income, many households have turned to consumer credit cards to take care of daily expenses.

If that is the case, it could be helpful to learn more about a debt management program. Having options is always a good thing! Take a few moments to review what to keep in mind, if you seek options to manage debt.

▶ **Who is the debt management program for?**

▶ **Why do people typically use a debt management program?**

▶ **There is a lot of advertising about something called "debt settlement" offered by for-profit companies. How is a debt management program different?**



## Who is the debt management program for?

A debt management program is designed for anyone with a desire to pay their debt back and become debt-free.

This includes people who have several consumer credit cards and each month make monthly minimum payments; people watching their hard-earned income go to high-interest rates; and anyone who might be experiencing collection calls.

In some cases, it can be helpful to explore signs that a debt management program can be of use.

**GreenPath is a 60-year national nonprofit helping people build financial health and resiliency.**

**800-550-1961**

The beauty of a debt management program is that it can be customized to fit most situations and can help with many types of debt and creditors.



# Why do people typically use a debt management program?

Our clients have shared a few main reasons why a debt management plan works for them:

## The Structure

Often people come to us saying they have been trying for years to get their debt paid off, to no avail. Because we make it easy for clients to pay their debts, structure is key! A personalized payment schedule is created, based on schedules that work with pay frequencies and bill due dates. It's a "set it and forget it" situation. Our clients realize quickly how easy it is to let us handle it for them.

## Cost Savings

Since we have relationships with virtually all major creditors, often clients take advantage of reduced interest rates, fees, and monthly payments. Depending on the amount of debt, this can add up to thousands of dollars saved in fees and payments when all is said and done.

## Peace of Mind

Starting on a GreenPath plan is often the first step in a journey of becoming a financially healthy person. 91% of people served by GreenPath feel better prepared to handle their finances. In addition, 93% of people served by GreenPath have reduced financial stress.

## Teaming with a Trusted Resource

GreenPath is a non-profit organization that has been in business for 60 years. We are highly rated, nationally renowned and recognized for being innovative and customer-centric. We work on your behalf every day, which allows our clients to reduce their financial stress. We hear from our clients that they sleep better at night knowing there is a plan in place.

## There is a lot of advertising about something called “debt settlement” offered by for-profit companies. How is a debt management program different?

There are differences between debt management and debt settlement. A debt management program is designed to get all of your debt paid off in full.

**GreenPath is a trusted, national nonprofit that has helped more than 65,000 households eliminate more than \$200 million in debt since 1961. Call today.**

**800-550-1961**

Paying your debt in full may be better for your credit as compared to a debt settlement which pays off only a portion of your debt according to Experian, one of the major credit bureaus. Paying less than you owe may negatively affect your score. Plus, there may be tax consequences when you pay less than your full balance.

Looking deeper, a debt settlement firm may advise you to ignore all the missed payment notices sent to you by credit card issuers. Missed payments may negatively impact your credit score.

Missed payments typically remain on a credit report for seven years. Until you replace the negative payment history with some positive information, you may have difficulty getting new credit cards or loans and may have higher interest rates, if approved.

A debt management plan helps to reduce debt and establish consistent on-time payments, which are two biggest factors that impact credit scores. In addition, some creditors may “re-age” your past due accounts which fast tracks your status to current after making multiple on-time payments via the debt management plan. Re-aging can also save you from additional late charges.

# Get on Track with A Debt Management Program

As a national nonprofit, GreenPath structured the debt management program to improve and promote financial wellness. It's part of our mission...looking out for the best interest of our clients.

So think about the benefits of a debt management program. It's a good chance to learn new spending habits, stay on track to pay off debt and build a healthy financial life.

## Free Financial Resources

[↪ Interactive Budget Worksheet](#)

[↪ Real Stories Podcast](#)

[↪ On-Demand Webinars](#)

[↪ LearningLab Financial Courses](#)



**Debt counseling is free at GreenPath. Call today to speak with a financial expert.**

**800-550-1961**