

Debt Settlement

The fastest growing trend in debt resolution is Debt Settlement. It is a proven and effective bankruptcy alternative. It is most effective for unsecured creditors, which include credit cards, medical bills, and collection accounts of all types.

Below is a hypothetical Debt Settlement:

Debts Credit Card #1 \$10,0000 Settled Amount \$5,000

Credit Card #2 \$10,0000 Settled Amount \$6,000

Collection Acct \$15,0000 Settled Amount \$9,000

The total savings under this hypothetical is some \$15,000.00!

Debt Settlement is most effective with a lump sum payment to the creditors. The funds to make the lump sum payment may be raised in a number of ways, including, but not necessarily limited to the following:

Retirement Plan Loans: Many plans (i.e 401k) allow participants to withdraw a percentage of what is saved in a lump sum. After the debt settlement is completed you repay yourself over time without losing the benefits of tax deferred appreciation.

Home Equity Lines of Credit: This allows you to settle your unsecured debts, like credit cards, for only a percentage of what is owed and pay yourself back while your home continues to appreciate.