



IAPDA UNIFORM PROGRAM DISCLOSURE STATEMENT

What is a customer?

- A customer is the most important person in our business.
- A customer is not dependent on us, we are dependent on the customer.
- A customer is not the interruption of our work, they are the purpose of it.
- A customer does us a favor when they call, we are not doing them a favor by servicing them.
- A customer is part of our business, not an outsider.
- A customer is not just money in the bank, they are human beings with feelings and deserve to be treated with respect.
- A customer is a person who comes to us with their needs and wants, its our job to help fill them.
- A customer deserves the most courteous attention we can give them. They are the lifeblood of this and every business. They pay our salary and without customers, we would have to close our doors.

Citizen Debt Services is an IAPDA Accredited Company, our employees are IAPDA Trained and Certified and agree to follow industry “best practices,” as endorsed by IAPDA. Including disclosures is an integral part of our contract with consumers.

Citizen Debt Services provides consumers with a debt resolution service also known as debt settlement. Debt settlement is the negotiation of less than full balance settlements of unsecured debt on behalf of consumers who are experiencing financial hardship.

Citizen Debt Services wants you to understand both the potential benefits and risks that may arise out of your debt settlement program and to be sure you have reasonable expectations regarding all potential outcomes.

1. You are enrolling into a debt settlement program. The objective of your debt settlement program is to negotiate mutually agreeable resolutions between you and each of your creditor(s) for the resolution of your unsecured debt(s), which are itemized as part of your enrollment agreement and are referred to as Enrolled Debts. You understand and acknowledge that no specific results can be predicted or guaranteed.

2. You will be responsible for saving sufficient funds to enable us to negotiate debt resolutions on your behalf. In order for **Citizen Debt Services** to negotiate on your

behalf, you must adhere to a regular schedule of deposits. These funds will be deposited into a separate custodial bank account that you and only you will control. Under no circumstances will **Citizen Debt Services** have custody or control of the funds you set aside.

3. The savings program necessary to settle your debts is detailed in your enrollment agreement. Summaries of the minimum monthly savings amount and the estimated period needed to settle all your debts have been prepared for you. Actual resolution amounts, and the period required to settle all your debts are likely to vary, possibly substantially, from these estimates, based on creditor behavior, your ability and willingness to keep to your deposit schedule and other factors.

4. While most creditors and collectors are eager to negotiate with debt settlement service providers, **Citizen Debt Services** cannot force creditors to negotiate with them or to accept an offered settlement. Communications with creditors are handled on a case-by-case basis. Some creditors may not be contacted for several months after you enroll.

5. **Citizen Debt Services** is not a credit counseling service and does not make regular payments on your behalf to your creditors. Your creditors may continue to pursue collection efforts on delinquent accounts while you are enrolled in a debt settlement program. Such collection efforts can include phone calls and letters to you, sending delinquent accounts to collection agencies or even filing a lawsuit against you.

6. Your debt settlement program assumes an effort that will continue for many months. The time needed to produce a settlement of a given debt depends on several factors. These include: (a) your financial hardship, (b) the age and balance of the accounts that you owe, (c) the funds you have available to pay to your creditors for a settlement and (d) the willingness of your creditors to enter debt settlement negotiations. While no guarantees can be given, generally the more money you are able to set aside the sooner we will be able to start negotiating settlements for you.

7. Fees paid to a debt settlement services provider such as **Citizen Debt Services** are not available to pay creditors. The fees paid to **Citizen Debt Services** are intended to compensate them for their efforts and will only be refundable to the extent they have not been deemed to have been earned in the manner described in the Client Agreement. Those fees are not being set aside or held in escrow to fund debt settlements.

8. **Citizen Debt Services** is not a law firm and does not and cannot provide legal advice or counsel.

9. Due to a verifiable financial hardship, you are unable to meet, on an ongoing basis, the minimum periodic payments required by your creditors to pay off your debts. If you do not make the minimum periodic payments on your debts your delinquencies will likely be reported to the consumer reporting agencies as late, delinquent, charged-off or

past due balances. Your creditor may also raise the interest rate on your account and impose other penalties, such as late fees, over-limit fees and the like. Until your account is charged off, your account balance may continue to grow as your creditor adds accrued interest and fees and penalties, and, if negotiations are unsuccessful, you could be called upon to pay the entire balance. When we are successful in negotiating a less than full balance resolution for you, your creditor may report to the credit reporting agencies that the account was “settled for less than the full amount.”

10. When your creditor agrees to settle a debt, a savings of \$600 or more (meaning at least \$600 less than what you owe at the time of settlement) may be reported by your creditor to the IRS as Discharge of Indebtedness Income. You should consult your tax advisor to determine whether your individual circumstances require you to include any Discharge of Indebtedness Income in your reportable income, or whether you qualify for an insolvency exclusion.

To summarize, each case is unique and results, dependent as they are upon both your ability to set aside sufficient funds and your creditor’s willingness to negotiate a less than full balance settlement, may be expected to vary widely. For consumers in verifiable states of financial hardship, a debt settlement program can be a very effective way to resolve unsecured debt, but it is not a painless process and no guarantees as to settlement amounts or timing can be given.

Finally, we encourage you to report any concerns with your debt settlement program directly to IAPDA via email: admin@iapda.org