

Debt Management Plan Agreement

Please read the following statements carefully so that you fully understand the provisions of the Debt Management Plan. Singular pronouns (I, me) are used even when the plural (we, our) would apply.

I engage the professional services of Credit Counseling of Arkansas or “CCOA” in creating a repayment plan, hereinafter, referred to as the Debt Management Plan or “DMP” with my creditors. I freely volunteer to abide by the provisions of this agreement which are as follows:

With Respect To My Credit History:

I understand that my participation in the DMP may affect my credit report either favorably or unfavorably according to my creditor’s policies regarding the DMP and my payment history **prior to** and during the DMP.

With Respect to Additional Creditor Charges and Duration of the DMP:

I understand finance charges, fees or penalties imposed by my creditors may increase my overall indebtedness as well as the length of time required to pay my creditors in full, over and above the estimates provided by the agency. I further understand that increasing my DMP payment amount will have a positive impact on these charges, reducing the amount of time to complete my DMP. Therefore, because it is in my best interest, I will make every effort to increase my payment whenever possible. CCOA will provide an estimate for the duration of the DMP. If all payments are made as scheduled, most DMPs are completed in less than 60 months.

Termination From the DMP:

- a. I understand my creditors may remove me from the DMP if I miss two (2) monthly payments in the lifetime of the DMP. I understand my creditors consider a partial payment the same as a missed payment. Creditor cooperation depends on consistent payments through the program. If I miss two payments, I will be placed on “Blocked” status. I cannot be re-instated (removed from blocked status) without re-counseling or speaking to my counselor.
- b. I understand this agreement can be terminated immediately by CCOA: a.) If it is discovered that I have provided any false information to the agency, b.) If I fail to comply with any other provisions, terms or conditions of this agreement. I understand that I can terminate this agreement for any reason at any time by providing written notice to CCOA. If this agreement is terminated by CCOA or me, any money left in my account will be paid to my creditors, unless otherwise required by law. I understand that if the DMP is terminated, CCOA is required to notify my creditors.
- c. I understand that my creditors voluntarily cooperate with CCOA in the Debt Management Program. I further understand that the creditors may discontinue any concessions made to me under the DMP (for example, interest reductions, fee or penalty waivers) if I miss payments, or make partial payments, or for any other reason that they deem appropriate. I also understand that most creditors expect me to make up any missed payments before they will reinstate Consumer Credit benefits.

Use of Credit:

I hereby certify that all of my credit cards have either been returned to the creditor, lost, destroyed or turned in to CCOA for disposal. I voluntarily agree that no further charges will be made on the accounts. If there is not a balance on an account, I will request the creditor close the account. I further understand and agree that **I WILL NOT APPLY FOR, NOR ASK ANYONE FOR ADDITIONAL CREDIT OR ASSUME ANY NEW DEBTS WITHOUT PRIOR CONSENT FROM CCOA.**

Other Provisions:

- a. I agree to review my creditor statements each month, and submit them to CCOA if I notice a problem. I will mail my most recent statements to CCOA after the first four months of consecutive payments.
- b. I understand I have the right to review my file in the presence of a CCOA staff member during regular business hours.
- c. I understand that, although a counselor may answer general questions regarding bankruptcy, CCOA does not provide legal advice. If legal advice is needed, I will seek the appropriate assistance.
- d. I understand that CCOA may make changes to this agreement, including increases in the administrative fee, by

giving me at least **thirty (30) days written notice.**

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- e. I understand that CCOA staff or staff agencies with authority to monitor agency practices may review my file for quality assurance or compliance purposes, in which case all findings will be kept confidential.
- f. I hereby agree to hold CCOA, its employees, officers, directors, and agents harmless from any claim, suit, action, or demand made by any of my creditors and any other person, which in any manner may arise from any action or inaction taken by CCOA, or my creditors, in connection with any services rendered by CCOA for me. Nothing herein shall apply to actions or claims under the provisions of the United States Bankruptcy Code, 11 U.S.C. §101et seq.
- g. I acknowledge that I have read and understood each of the provisions, terms, and conditions of this agreement. Both Credit Counseling of Arkansas and I have received a copy of this agreement. CCOA and I agree that there are no other agreements, promises, or representations, unless otherwise executed in writing, between CCOA and me other than those contained in this agreement.

Disclosing Information:

I understand that I am responsible for disclosing accurate information, to the best of my knowledge, about all of my creditors and sources of income to CCOA. In order for CCOA to act on my behalf, I authorize CCOA, and its employees, agents/volunteers to disclose any information concerning my financial condition and status according to provisions outlined in the CCOA Privacy Policy. This information would include, but not be limited to, income, debts, credits, earnings, assets and residential and work addresses to any creditor listed by me unless otherwise required by law. I further authorize CCOA to obtain whatever financial information concerning me from my creditors, as CCOA deems necessary. My signature on this form also authorizes my creditors to release my account information to representatives of CCOA.

Monthly Debt Payments, Administrative and Start-up Fees:

I agree to make payments to my creditors through CCOA’s Debt Management Plan. I agree to make all payments by electronic fund transfer, cashier’s check or money order payable to CCOA. **I UNDERSTAND THAT CCOA DOES NOT ACCEPT CASH OR PERSONAL CHECKS.** I understand that, unless otherwise specified, I will be charged a \$15 to \$45 voluntary monthly fee for administering my accounts. This fee will be deducted from my payment **before** anything is distributed to my creditors, even if I do not make a full payment. I further understand that there is a \$40 one-time start-up fee to begin the program. In the event that electronic payments are returned as insufficient, CCOA will charge a 10.00 fee which will be added to my DMP account. I permit CCOA to combine my payment in a trust account with the funds of other CCOA clients, and, if I so choose, to draft my payment electronically. (If paying online, there is a \$2 charge per transaction.)

My first payment will be due on the _____ Monday beginning in _____.
(1st, 2nd, 3rd, 4th) Month

I will pay by:
check one

Client Signature

Social Security #

Date

EFT

Co-applicant Signature

Social Security #

Date

Web

MO

Client Number:

Counselor: _____

For Office Use Only

Name of Bank: _____

Routing Number: _____

Account Number: _____ Account Type: _____

Please include your client number on all payments & statements. Please return creditor statements if you have not already done so. Your signature above authorizes us to draw funds from this account.

Note: If your name is not on this account, the signature of the account owner is required.

Account owner's signature if different from client: _____