In the Washington area also they find the innocent and the ignorant, the Southern families migrating northward, the small-town girls pounding Government typewriters in the big city.

The largest of the debt firms now doing business in this area, Credit Advisors, Inc., has described its customers as "debtors who are relatively unsophisticated in matters relating to their outstanding debts, interest rates, penalty charges and the like."

The description was given in a suit filed here last month by Credit Advisors against another debt adjuster—Credit Budget, Inc. In the course of accusing its competitor of "unfair competition and "misappropriation of trade secrets" Credit Advisors pulled back a bit of its own veil of secrecy.

In the suit, Credit Advisors emphasized how much it had spent on advertising and how much value it placed on its advertising copy used "repeatedly and successfully."

Without saying how much it harvested from "extensive advertising," Credit Advisors charged that its competitor had already derived "large income, profits and advantages" which rightfully belonged to Credit Advisors.

The suit predicts the future will find more rather than fewer debt consolidators in the Washington area. Credit Advisors says Credit Budget is going to expand its debt adjustment business unless restrained.

The court action was cited by Credit Advisors' local attorney as the reason why the firm couldn't answer any of a dozen questions asked by The Star about its methods of operations—easy questions like how much time the "counselors" spend on a customer and whether they ever give the customer a budget to follow to help get himself out of debt and why they don't say in their ads how long it will take to pay off a $1,000 debt at $15 a week.

Since Credit Advisors wouldn't talk, The Star got the answers to these and other questions from the customers. None of those interviewed had ever been given a budget to follow. More time reportedly was spent by the counsellor on how much money the customers could pay to Credit Advisors than how they were going to live on what was left. As for how long it would take to pay off a $1,000 debt at $15 a week, the answer was obvious—a discouraging span of months, particularly after interest and Credit Advisors' fees were piled onto the indebtedness.

There was no point in even asking about the advertised promise of "garnishments avoided" after The Star learned one creditor after another has from 12 to 15 per cent.

If the customer stays with the adjuster to the end—and that's a big if—he may get his "filing" fee back, but from everything The Star could find out, he'll never get back a unsullied credit rating.
for deceptive acts, although salaries continue to be garnisheed and automobiles repossessed despite the services of the debt consolidators, the bait of a debt-free future continues to lure customers here.

Adjustors Increasing

Despite a widespread impression that the debt consolidators are on the wane here, The Star found just the opposite to be true.

The regional credit sales manager of a national chain of department stores reported more of the store's customers in this area had become involved with the debt adjustors in the last two or three years than ever before. He attributed the rise to the "tremendous advertising program."

Department stores, discount appliance stores and finance companies in the area all note a growing trend toward the debt consolidators—a trend they don't like at all.

Why are more debt adjustors thriving here when they're on the wane in many states? They came to Washington after they were outlawed or at least regulated elsewhere. Debt adjusters by any name are banned in 21 states, including Virginia. They are regulated in 10 other states, which discourages some—but not all—of them.

Rhode Island is among the states that prohibit them but several outfits operate a mail order business from there, getting their customers from everywhere but Rhode Island through magazine and newspaper advertising. Since they can operate freely here, at least one of these Rhode Island-based outfits lists a Washington address and telephone number. Repeated calls to that number have produced nothing but a tape recorded announcement of a number to call—a Rhode Island number.

Ban in Baltimore

Debt adjusting firms are banned in Baltimore, which is one reason why more of them are opening for business in nearbh Maryland. Credit Advisors of Baltimore, Inc., now operates from Mt. Rainier, Md., and another has established itself as Credit Advisors of Laurel, Md.

Unprotected by any law, Washington and nearby Maryland debtors likewise lack the free budget counselling service that puts the paid debt adjustors out of business almost as fast as a law.