Stores Willing to Help

All stores checked by The Star said if the debtor had told them he was in trouble and wanted to pay less until he was over the hump, they would have gone along with him if at all possible.

And usually it's possible.

Unless the debtor is a known deadbeat who shouldn't have been allowed to buy on credit in the first place, most stores will skip one or two payments until a customer gets back on his feet and tack those payments onto the end of the bill. Or they'll accept token payments for a while.

Banks may be able to arrange refinancing. Credit unions will help through counseling and negotiating with other creditors. Some merchants will cooperate with customers faced with an unexpected expenses by taking back the merchandise and marking it as a cancellation—saving their customer the stigma of a bad debt.

Several businessmen stressed that the man or woman who goes to a debt consolidator is usually the very type who would get the most sympathetic hearing from his creditors because he's conscientious about his debts and concerned about maintaining his credit.

More than one creditor added, however, that a debtor ruins his credit by seeking the help of paid adjusters. A loan company spokesman said he will never approve another loan for any customer who has gone to a debt consolidator.

Some stores with complex bookkeeping systems expressed concern for customers lulled into a false sense of security when they assume the debt consolidator has taken care of everything because they are not dunned. It may be as much as three months before a store's accounting machinery catches up with the debt consolidator's shrunken payments and the debtor is dunned.

A mail order house complained that customers who go to debt adjusters here may not get credit even for the short payments because the checks come in without the bill, without the customer's code number and sometims even without his home address.

Several creditors have been made ruefully aware that the debt consolidators instruct their customers to have nothing to do with their creditors. It doesn't make a store official any happier to have a telephone banged down when he calls someone who owes him money.

Creditors don't like a middleman coming between them and their customers. They don't like hearing a customer say,"But I paid the debt pooler every week. I don't understand why he hasn't paid you." And creditors recognize with the cynicism born of experience that the creditor who screams the loudest and duns his customers the most will get the largest slice of the available money. They don't like any part of it.

A number of firms make a practice of telephoning a customer as soon as a debt consolidator sends in the notice that from now on the consolidator will be paying the bill—or part of it. Credit managers urge their customers to get clear of the debt adjusters. They point out that the customer could pay off his smaller bills with the money he's paying these people to write checks for him.

The AFL-CIO Executive Council has gone on record against the debt adjustment business as an arrangement which, in too many cases has turned out to be an "abusive scheme" for deceiving and overcharging the debtor.

The debt adjuster, the council said, frequently imposes a