DEBTOR BEWARE

Tricky Wording Baits The Adjuster's Hook

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A debt consolidator convicted of mail fraud blames carefully worded advertising and double-talking "counselors" for giving debtors the false impression that debt adjusters will pay all their bills now and collect from them later.

It's a matter of total impression, explained the former consolidator. Neither the ads nor the salesmen promise in so many words that the debt pooler will advance any money. The fact is, though, that many debtors start out believing that, and nobody disabuses them.

Victims interviewed by The Star said they thought all their creditors would be paid off at once and they would reimburse the debt adjuster in easy stages. That's how they misinterpreted the ads that say, "If you owe $1,000, pay as low as $15 a week."

The ex-adjuster illustrated the technique used with this phrase from his former spiel; "At no time do we advance any cash directly to you." True enough, but it leaves the debtor with the impression that while he's not going to get any cash, his creditors will.

Victims cited such advertising messages as "garnishment avoided," "no co-signers or security" and "now you can pay all your bills regardless of condition" as meaning—to them, at least—that the debt adjuster would take care of everything for them. Even the phrase "not a loan" failed to straighten them out since they didn't expect any loan in the sense of cash.

From the former debt adjuster, from federal investigators, from victims and from the spiels of the pro-raters themselves, The Star collected these tricks of the debt-adjusting trade:

THE COME-ON

In addition to newspaper, magazine, radio and television advertising, the debt adjusters solicit prospects by postcard. They get names from court records of people sued for debt, from telephone crisscross (street address) directories for "good" neighborhoods and from some loan companies with whom they have an understanding.

Post cards to prospects simply say, "Please contact me on a matter of mutual importance." If the prospect is curious enough to call and ask for the man whose phony name is listed on the card, the salesman goes right into his opening pitch. "We understand from a mutual friend that you're having a little problem with some of your bills. We wonder if we could be of service to you."

If the prospect starts asking questions, the salesman knows he has hooked a live one and immediately makes a date to explain "exactly what we're going to do for you."

Debt adjusters who rely most on radio and television promo-