

When a debtor plugs along with his weekly payments to the debt adjuster until the end is in sight, he may be kept on the hook by an informal letter in longhand from a "counselor." "In reviewing your account," the debtor is told, "I find that I can now reduce your payments to \$13 per Monday. If this will help you at this time please sign and return the enclosed."

What sounded as welcome as a gift actually meant the debtor was stringing out his payments longer and increasing his interest. And that friendly letter virtually invited the debtor to take on a new load of debt.

The contract sets up a payment schedule for the debtor but says nothing about how the debtor is supposed to live while he's meeting that schedule. Theoretically, the debtor is counseled about his living expenses but since the "counselor" is more con-man than economist, he sets up a budget so unrealistic that even the most determined debtor is rarely able to meet it.

A GS-6 Navy stenographer with take home pay of \$340.80 a month signed up to pay the debt adjuster \$170 a month. When her rent was deducted from what was left, she had \$90 a month to cover food, clothes, medical bills, cosmetics and car maintenance.

Obviously, she couldn't make it. Nor can others. Many write off the filing fee they paid the debt adjuster as a bad guess and look for a more realistic way to get out of debt.

AFTER THE CONTRACT

Both debtors and creditors must be pacified, when bills aren't promptly paid by the debt adjuster. Credit Advisors han-

dles the complaints they know are coming with a 16-point sheet of "customer advice."

In addition to cautioning customers against buying anything or paying any creditors without checking with Credit Advisors first, the "customer advice" warns:

"There may be a possible negative reaction from your creditors at first. There may be harassing phone calls at first. There may be routine duns and delinquent notices at first. It takes four to five weeks to get all creditors notified and make arrangements with them after the first full payment."

As for the creditors, most debt adjusters seek to pacify them by giving the biggest payment to the one who bothers the customer most. Doctors are put at the bottom of the list on the theory that you can't repossess a baby or an appendix.

Sometimes they can forestall creditors a while by saying they are cleaning up the small bills first and if he'll just wait a while, he'll get the biggest slice of the debtor's payment.

When the creditor gets tired of waiting, he sends the debtor a summons to appear in court to answer a judgment or garnishment. The debtor sends it on to the debt adjuster, who may try to get the creditor to drop the case. If the creditor refuses, some debt adjusters fail to tell their customers and the case is lost by default because the debtor isn't there to defend himself. The debtor learns what happened when his salary is garnisheed or he's notified there's a judgment outstanding against him.

Both debtors and Action Line, in behalf of debtors, have run into the same answer when things go wrong. It was used when a woman discovered the