

3. (a) Exaggerations: No expression, however made, shall be used which states or implies no financial problem or debt is too great for the credit counselor to solve.

Example:

- "No more financial worries"
- "We'll solve all your debt problems"
- "Forget your debts"
- "Good-bye to garnishments"
- "Owe only one debt"
- "Get out of debt today"
- "Bills paid for you"
- "Debts disappear like magic"

These and all other similar expressions which represent that funds other than the consumers will be used to pay creditors are prohibited.

(b) Misleading Expressions: Statements, phrases or words which may be literally accurate but which might confuse readers, or which may have a misleading implication shall not be used.

Typical of such objectionable statement is:

"Consolidate your debts"

Recommended expressions:

- "Debt grouping"
- "Consolidate your payments"
- "Combine your payments"

4. Cash Advance: Since it is generally recognized by industry members as an unsound business practice, no representation, however made, shall be used which states or creates the impression any amount of cash or an advance in money is offered or can be provided by a credit counselor.

No word or phrase may be used which could be interpreted as offering a loan unless completely clarified by explanatory language.

Example:

- "No co-signers"
- "No collateral"
- "No security needed"

Recommended expression:

"No co-signers—No collateral—Because we do not lend you money"

5. Identity: All advertising shall contain the firm's true name and true address. If a trade style is used, other than a registered corporate name and which is not the name of the owner or owners, it shall be registered as required by local statute.

6. Subterfuge: It shall be an unfair practice for a credit counselor to use a dummy or fictitious firm to secure clients, nor may referrals be received from a bona fide firm created for this purpose.

Advertising which appears to offer loans, or a subterfuge to steer applicants to the advertiser is condemned.

7. Charges: Where service fees are regulated by statute, reference to such fees in advertising, if made, shall conform to the statute. Where not regulated by statute, no deceptive wording shall be used which would tend to confuse or mislead the debtor as to the cost of the service.

8. Scare Approach: No veiled of scare techniques or representation of any nature shall be used which seeks to alarm the unknowing individual.

Example:

- "Urgent, call me immediately, Gloria"
- "Are you in trouble? Call me, Jean"

It should be understood that these standards may be supplemented, or revised, to encompass practices not presently anticipated or to conform with any jurisdictional regulation, statutory or otherwise.

Mr. SISK. I have just been informed that Linn Twinem, the American Bar representative, who was supposed to be the next witness this morning was called out of town. Without objection, his statement will be made a part of the record. The committee is sorry that Mr. Twinem was not able to make an appearance in person.

Mr. SISK. Without objection, the National Better Business Bureau of the City of New York will be permitted to file a statement.

(Subsequently, the following letter and exhibits were received for the record:)