It should not be inferred that every pro-rater in each of these cities has been the subject of justified criticism. But the tactics employed by a majority of the pro-raters have made the complaint picture so black that some Bureaus have been forced to the conclusion that continued uncontrolled operation of these services in their communities would not be in the public interest.

MISLEADING ADVERTISEMENTS

Many complaints have their inception in printed or broadcast advertising claims such as "Forget Your Debts," "Rid yourself of the worries and troubles of all your creditors," "Pay Us What You Can Afford," and similar representations calculated falsely to imply that, once the debt adjustment company is employed, the debtor has no further responsibility or obligation to his creditors.

Other advertising statements—"Bills Paid For You," "We Pay Them For You," "Do you need financial assistance and have no collateral?", "Pay your bills without borrowing with single payment," etc.—have had the capacity to deceive as to the true and limited service which the debt adjuster can offer. Some advertising has misled debtors to believe that they can get a loan or credit which the pro-rater will use to pay off all their debts. The Cleveland Better Business Bureau reports the case of one company using the word "Finance" as part of its title. Some debt adjustment services have even advertised in classified columns under the heading of "Loans." Of course, the pro-rater performs no such function, a truth which some complainants have not discovered until after they have signed agreements which they did not understand, and paid fees for non-existent loans.

LIMITATIONS OF SERVICE

At best, the pro-rater offers a means whereby an individual may retire his total indebtedness, although automatically increased to the extent of the pro-rater's fees, in regular amounts over a period of time which will be consistent with his capacity to pay. The complete success of such an expedient would depend upon the honesty of the pro-rater and his qualifications to analyze his client's financial and budgetary problems, the character of the client and his ability to carry through on the agreement reached, and the willingness of creditors to accept proffered plans for reduced or extended payments, among other factors. The experience of Better Business Bureaus suggests that the proportion of cases in which these circumstances ideally co-exist may be very small.

TAKING ALL COMERS

Advertisements of some debt adjustment companies have implied an ability to solve the problems of any or all debt ridden persons regardless of their circumstances, character or reputation.

On the contrary, it is generally recognized by informed sources that the proportion of over-indebted persons who can be helped by a debt adjustment service is limited. A mid-west firm which has operated without complaint to the local Better Business Bureau for many years, has advised NBBB that it finds it necessary to turn down six out of every ten applications, "mainly because of (1) a desire to keep some item that is entirely out of proportion, such as an expensive automobile or other luxury item that could be turned back or, (2) reduced income to the point where it barely does more than cover the living budget or, (3) lack of the feeling that they are in serious trouble and determination to live on a meager budget to pull themselves out." A west coast organization, whose record is equally free of complaint, has stated that it will accept as clients only those overindebted persons whose income allows monies to be applied toward the liquidation of their obligations over an extended period of time. This organization takes the position that no pro-rate office has the moral right to accept persons who can pay off their obligations by liquidating assets or by securing a loan, or those whose earnings are currently insufficient to do more than meet barest living expenses regardless of the nature of their debts.

It has been the experience of many Better Business Bureaus that there are other pro-raters who do not concern themselves with the fitness of applicants for service. In many cases, the only test applied appears to have been the applicant's ability to pay the debt adjuster's fee.