

How can I find a legitimate credit counselor?

Financial Planning

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Reputable credit counseling organizations advise you on managing your money and debts, help you develop a budget, and usually offer free educational materials and workshops. Their counselors are certified and trained in the areas of consumer credit, money and debt management, and budgeting.

A reputable credit counseling agency should send you free information about the services it provides without requiring you to provide any details about your situation. If a firm doesn't do that, consider it a red flag and go elsewhere for help.

When you're choosing a credit counseling agency, check for the following:

- The counselors are accredited or certified by an outside organization.
- The agency offers a range of services, and is not trying to push a specific product, such as a Debt Management Plan..
- The price is clearly stated up-front and there are no hidden fees

- No significant consumer complaints have been filed against the agency or its counselors. You can check this with the Better Business Bureau, your state Attorney General or local consumer protection agencies.

Beware of companies that guarantee they can remove unsecured debt, that promise that unsecured debts can be paid off with pennies on the dollar, or that demand payment of a percentage of your savings. Reliable credit counselors help people manage their money better and, if appropriate, can help get better interest rates on loans and set up a realistic repayment plan that is acceptable to creditors. They cannot “fix” bad credit or pay off debts for less than is owed. If it looks too good to be true, then it probably is.

Additional resources

The [Federal Trade Commission's Fiscal Fitness](#) section

[National Foundation for Credit Counseling](#)

[American Center for Credit Education.](#)

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