

# DC 37 MUNICIPAL EMPLOYEES LEGAL SERVICES

125 Barclay Street, New York, NY 10007-2179



August 1, 2011

Dear DC 37 Member,

You may have seen or heard commercials from companies that offer to reduce the amount of money that you owe on credit cards. Please think twice before you consider using such a company! We have prepared the attached information sheet on debt settlement companies and urge you to read it carefully.

Debt settlement plans operate on the premise that if a consumer-debtor makes a monthly deposit to the company over a period of time, the company will be able to negotiate a settlement of each debt. In practice, however, the idea just doesn't work. The consumer will spend the first few months merely paying the company's fees. In the meantime, debt collectors will still be calling and may be filing lawsuits. And the company very likely won't be able to negotiate a settlement, anyway.

In short, debt settlement plans almost never succeed. Instead of getting you out of debt, using a debt settlement company will leave you worse off. If you feel overwhelmed by credit card or other debts, there are other and better options.

I hope that you will find this information sheet useful. As always, if you are a DC 37 member or retiree who is eligible for MELS' services, please feel free to call (212) 815-1111 for assistance.

Sincerely,

Joan L. Beranbaum  
Director and Chief Counsel, DC 37 MELS