

# The Facts Behind Billions of Dollars in Savings

## Debt Resolution by the Numbers

Debt resolution is an option for consumers experiencing severe financial hardship, often through no fault of their own, that allows them to resolve their unsecured debts for less than what they owe. Compared to other debt relief options, the facts show debt resolution programs can help consumers settle more of their debt at a quicker pace.



In total, Americans saved \$1.65 billion annually as a direct result of debt resolution<sup>1</sup>



A client's first account settlement is received, on average, within four to six months after they first enroll in a debt resolution program<sup>2</sup>



Debt resolution saves consumers \$2.64 for every \$1.00 in fees<sup>3</sup>



Consumers see their overall debt reduced by nearly 32% on settled accounts<sup>4</sup>

## Three Ways to Pay Off \$25,000 in Credit Card Debt

When compared to credit counseling and making minimum monthly payments, debt resolution is the best choice, hands down. The total cost to the consumer is lower, as is the amount it actually takes to pay off the debt. Debt resolution also produces results more quickly.

### Debt Resolution

#### Total cost to consumer:

The total amount paid by the consumer including fees, interest, taxes, and any programmatic costs.



**\$19,780**

#### Average amount to pay off enrolled debt:

The average cost to the consumer of the settlement paid to their creditor for the \$25,000 debt.



**\$13,800**

#### Average months to pay off or settle all debt:

The average length of time to fully resolve the debt.



**48 months**

### Credit Counseling



**\$32,087**



**\$25,000**



**48 months**

### Minimum Monthly Payments



**\$57,793**



**\$25,000**



**429 months (nearly 36 years)**

<sup>1</sup>Economic Impact Report, 2020, Page 12.

<sup>2</sup>Options for Consumers in Crisis, 2020, Page 3.

<sup>3</sup>Options for Consumers in Crisis, 2020, Page 2.

<sup>4</sup>Options for Consumers in Crisis, 2020, Page 21-22.