Module 1.4
Study Guide

HUD Housing Counselors Training

U.S. Department of Housing
and Urban Development

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Module 1.4 Financial Management/ Protecting Assets

Module Introduction

Module Introduction

While housing counseling involves assisting clients to build and manage their finances, it is also important for housing counselors to understand how to protect assets.

In this module, you'll learn about types of predatory lending to avoid and how to protect identity information against theft and fraud.

You'll also learn about bankruptcy, including the difference between Chapter 7 and 13 bankruptcies, explain the impact to financial health, and address appropriate times to discuss bankruptcy.

Before we begin, let's take a look at the module learning objectives.

Lesson Objectives

By the end of this module, you'll be able to:

1. Advise a client about common types of predatory lending and how to avoid it. Identify and improve positive credit habits.
2. Describe to a client how to protect personal identity information and action to take when confronted with identity theft.
3. Explain how Chapter 7 and 13 bankruptcy affects credit scores, lending decisions, and rental applications.
4. Comprehend what is appropriate to discuss regarding bankruptcy with a client.

With these in mind, let's begin.

Predatory Lending, Identity Theft, and Bankruptcy

Though many new programs have been established to help consumers gain access to capital for homeownership, and to help others avoid losing their homes, many people still suffer from incidences of abusive practice and misinformation.

To study how counselors can help clients protect their assets, look at the counseling sessions.

The three clients have previously attended a pre- or post-purchase education course offered by a HUD-approved counseling agency. They've each made an appointment with a housing counselor to discuss issues that have come up since taking the course.

Take a moment to learn about each client. Read about what they have learned in the previous course, their issue of concern, and the counselor's response to each issue.

Counseling Session—Shirley

Predatory Lending

Profile: A 70-year-old homeowner seeking a home equity loan for home repairs.
Issue: She suspects that loan offers received are examples of predatory lending.

Lessons Learned in Post-Purchase Course

- Request a credit report.
- Know your credit score.
- Check current rates and know what you qualify for.
- Predatory lenders often target seniors and minorities.
- Predatory lenders often target seniors, first-time home buyers, and existing homeowners looking to refinance.
- Shop around for offers from several lenders.

Teaser Rates

When a lender offers an adjustable-rate mortgage that increases over time, it can indicate predatory lending practices. To entice borrowers, lenders often provide an interest rate below the prevailing market rate, called a teaser rate; this rate is temporary and will eventually rise. As a consequence, mortgage payments increase.

REBECCA: I understand you are considering a home equity loan.

SHIRLEY: That's right. I received a great offer in the mail about financing. I was planning to replace my roof and heating system, but they said that because I have a lot of equity in the house, I could qualify for a larger loan that will help with new renovations, like updating my kitchen or the bathroom.

REBECCA: Okay, I can see a few potential issues. Let's review a list of common predatory lending tactics.

Common Predatory Lending Tactics

1. Limited Time Offers. Loan officers require you to act immediately, with statements such as "If you don't decide today, you will lose this great opportunity!" or "This is your only chance to get a loan!"
2. High-Risk Loans. Loans with confusing or unclear loan terms, balloon payments, or steep pre-payment penalties.
3. Higher Loan Amounts. Lenders allow borrowers to finance more money than they need or can afford. Some lenders will propose asset-based lending, offering loans based on the amount of equity instead of the borrower's ability to pay.
4. High Fees or Costs. Predatory lenders may charge unnecessary fees or nonexistent products or services, or may inflate these fees, charging much more than reputable lenders and may not align with the borrower's needs.
5. False or Hidden Disclosures. Predatory lenders may provide misleading or false information that misrepresent costs, using tactics like providing false appraisals or changing the loan terms beofre closing.
6. Loan Flipping. Predatory Lenders encourage homeowners to refinance existing loans to collect additional fees. Loan flipping often exploits vulnerable borrowers who may desire a cash withdrawal or have limited financial knowledge. Repeated refinancing can lead to significant financial harm for borrowers, including increased debt, higher interest payments, and reduced equity.

REBECCA: Now that we've reviewed the list of concerns, let's look at your situation. What information did the lender provide about the loan offer?

SHIRLEY: Well, they said I had good credit, and I was happy to learn that the rates they offered are lower than the market average. But the way that the rates adjust is confusing. I am worried they will go up so much that I will not be able to afford the increased payment.

The lender said I could just refinance the loan, but that seems expensive with all these fees. I brought some of the information they sent me to share with you.

REBECCA: This is great information to have. Do you mind if I take a few minutes to review the information and help you determine if you've been the victim of predatory lending?

SHIRLEY: Yes, that's fine.

REBECCA: Based on the information you've shown me, this offer reflects a few examples we just reviewed.

Common Predatory Lending Tactics

1. Limited Time Offers. Loan officers require you to act immediately, with statements such as "If you don't decide today, you will lose this great opportunity!" or "This is your only chance to get a loan!"
2. High-Risk Loans. Loans with confusing or unclear loan terms, balloon payments, adjustable rates, or steep pre-payment penalties.
3. Higher Loan Amounts. Lenders allow borrowers to finance more money than they need or can afford. Some lenders will propose asset-based lending, offering loans based on the amount of equity instead of the borrower's ability to pay. This can significantly deplete the borrower's equity.
4. High Fees or Costs. Predatory lenders may bundle unnecessary financial products or services. These additional product costs are inflated with non-reputable lenders and may not align with the homeowner's needs or objectives.
5. False or Hidden Disclosures. Predatory lenders may provide misleading or false information to borrowers that misrepresent costs, using tactics like providing false appraisals or changing the loan terms before closing. Predatory lenders may downplay the risks of additional loans or exaggerate the benefits..
6. Loan Flipping. Lenders encourage borrowers to refinance existing loans to collect additional fees or charge higher interest.

SHIRLEY: I knew something felt off about this lender. Thank you for clarifying what to avoid. Can you give me any tips that will help me make and informed decision and avoid predatory lending?

REBECCA: Here are a few tips to help you make an informed decision and avoid predatory lending:

1. Shop for a loan. You don't have to take the first loan offered to you; compare rates and terms from several different lenders. Don't allow high-pressure sales tactics to pressure you into a uninformed decision.
2. Ask questions. Make sure the lender explains any part of the loan you don't understand. Ask about rates; is it fixed or adjustable? Ask about the loan's annual percentage rate (APR). The APR considers not only the interest rate but also points, broker fees, and certain other credit charges that you may be required to pay, expressed as a yearly rate.
3. Beware of deals that sound too good to be true. Some of these offers may be scams. Never sign a sales contract or loan documents that are blank or contain information that is not true.

4. Know your financial situation. Understand your financial limits and determine the loan payment you are comfortable making.

You can always speak with a housing counselor if you have future questions and want to look at your financial situation to determine an affordable payment.

SHIRLEY: Okay, great. I have a much better idea about what I need to look out for and what I need to ask. Thanks for your help.

Note: It is important to note that first-time homebuyers are frequent targets for predatory lending tactics because they are less familiar with the home-buying process and the documentation involved with mortgage loans. They are more likely to become victims of high-cost mortgages, hidden or excessive fees, or prepayment penalties.

COUNSELING SESSION—LILLIANA

Identity Theft

Profile: A 35-year-old first-time homebuyer.

Issue: Confronting identity theft and difficulty getting approved for credit.

Lessons Learned in Pre-Purchase Course

- Identity theft can have a negative "snowball" effect on credit.
- File a police report if you are the victim of identity theft.
- Contact your credit card companies and banks to obtain new cards if you are the victim of identity theft. In some cases, you may consider closing bank or credit accounts.
- Inform the credit reporting agencies and initiate a fraud alert if you are the victim of identity theft.
- Identity theft affects people of all ages, races, and nationalities.
- Safeguard personal information like social security numbers and driver's licenses.
- Shred confidential documentation before discarding.
- Review credit card and bank account statements. Watch for and report unauthorized or suspicious transactions.

REBECCA: What brings you in today?

LILLIANA: I should have pretty good credit because I always pay my bills on time. I'd like to buy a house soon, and I've saved up for a down payment, but I'm having problems getting a loan.

REBECCA: Tell me about what has happened when you applied for a mortgage.

LILLIANA: Well, I thought I would qualify for current market rates, but I've had a couple mortgage applications denied. I qualified with another lender, but they offered terms that are 5% higher than the market rate.

I don't want to pay that much interest. I brought my TransUnion credit report to show you. There are some things I don't recognize, and I don't know what they are.

REBECCA: Okay, that was a good idea to bring it with you. Let's take a look.

It shows here that there are several unpaid accounts that have fallen into collection status or have been charged off. Do you know anything about these accounts?

Adverse Accounts

Adverse information typically remains on your credit file for up to 7 years from the date of the delinquency. To help you understand what is generally considered adverse, we have added >brackets< to those items in this report. For your protection, your account numbers have been partially masked, and in some cases scrambled.

CREDIT COLLECTORS ABC, INC. #1234****

123 TOWN STREET
VILLAGE, STATE, 10101
555-5555

Placed for collection:	9/14/2019	**Balance:**	$308	**Pay Status:**	>In Collection<
Responsibility:	Individual	**Date Updated:**	9/15/2019		
Account Type:	Open	**Original Amount:**	$308		
Loan Type:	Collection Agency/Attorney	**Original Creditor:**	BANK ABC (Credit Card)		
Remarks:	>PLACED FOR COLLECTION<	**Past Due:**	>$308<		

Estimated month and year that this item will be removed: 9/2026

123 CREDIT SYSTEMS #888***

PO BOX 123
TOWN, STATE, 20202
999-9999

Placed for collection:	8/20/2019	**Balance:**	$1,021	**Pay Status:**	>In Collection<
Responsibility:	Individual	**Date Updated:**	9/08/2019		
Account Type:	Open	**Original Amount:**	$1,021		
Loan Type:	Collection Agency/Attorney	**Original Creditor:**	Super Deals (Credit Card)		
Remarks:	>PLACED FOR COLLECTION<	**Past Due:**	>$1,021<		

Estimated month and year that this item will be removed: 8/2026

FINANCE COLLECTIONS #1111**

(555) 101-0101

Placed for collection:	9/02/2019	**Balance:**	$786	**Pay Status:**	>In Collection<
Responsibility:	Individual	**Date Updated:**	9/12/2019		
Account Type:	Open	**Original Amount:**	$786		
Loan Type:	Factoring Company Account	**Original Creditor:**	Thumbs Up! (Retail Credit)		
Remarks:	CHARGE ACCOUNT	**Past Due:**	>$786<		

Estimated month and year that this item will be removed: 9/2026

THUMBS UP! RETAIL CREDIT CARD #3333*****

PO BOX 123
CITY, STATE, 30303
(555) 222-2222

Date Opened:	9/13/2019	**Balance:**	$534	**Pay Status:**	>Charge Off<
Responsibility:	Individual	**Date Updated:**	9/15/2019	**Terms:**	Monthly
Account Type:	Open	**Payment Received:**	$0	**Date Closed:**	9/20/2019
Loan Type:	Factoring Company Account	**Original Chargeoff:**	$534		
Remarks:	CHARGE ACCOUNT				

Estimated month and year that this item will be removed: 9/2026

BIG STORE CREDIT CARD #888*****

(987) 654-3210

Date Opened:	8/15/2019	**Balance:**	$1,212	**Pay Status:**	>Charge Off<
Responsibility:	Individual	**Date Updated:**	9/07/2019	**Terms:**	Monthly
Account Type:	Revolving	**Payment Received:**	$0	**Date Closed:**	8/25/2019
Loan Type:	Factoring Company Account	**Original Chargeoff:**	$1,212		
Remarks:	CHARGE ACCOUNT				

Estimated month and year that this item will be removed: 9/2026

LILLIANA: No, I have never had accounts with any of those stores or credit cards! I think it may be because someone stole my purse a couple of months ago.

REBECCA: What did you do when your purse was stolen?

LILLIANA: Well, I did what I learned to do in my class; I contacted the police and credit card companies.

REBECCA: Okay, that's great, and did you contact the credit reporting agencies?

LILLIANA: Not until I ordered this credit report today. I didn't think the thief had time to do anything with my information because I filed a police report right away.

REBECCA: You should monitor your credit report regularly, but it's even more important when your information has been stolen or breached. Why don't we review a checklist of things to do to help resolve issues like this?

Identity Theft Checklist

Identity theft can have a negative "snowball" effect on credit, that can start small; and build upon itself, becoming more damaging over time. By using the tips below and diligently monitoring your personal information and credit report, you will be able to avoid the adverse effects of identity theft skillfully.

1. Thoroughly shred confidential documentation before discarding it.

2. Review credit card and bank account statements. Watch for and report unauthorized or suspicious transactions. Order credit reports from the credit reporting agencies to review and identify inaccuracies annually.

3. Do not answer phone calls, texts, or emails from people you do not know, and never share personal information like your bank account number, Social Security number, or date of birth.

4. Contact your credit card companies and banks to obtain new cards if you believe you are the victim of identity theft. Your financial institution can advise you if closing your accounts is the best option.

5. A Credit Freeze or Extended Fraud Alert can prevent further misuse of your personal information. Both are free to request by contacting Experian, Equifax, and TransUnion.

6. File an identity theft report with your local, non-emergency, police department; keep a copy for your records.

7. Make a report at the Federal Trade Commission at https://www.identitytheft.gov/#/assistant or call 1-877-438-4338.

LILLIANA: Okay, but it seems like a lot of work, and I have already spent so much time trying to fix this situation.

REBECCA: You're right, it is. It may require you to be diligent to resolve the issues. Once you have identified all the inaccurate information, you can dispute the accounts that do not belong to you.

The credit reporting companies must investigate the items in question, usually within 30 days, unless they consider your dispute frivolous. Removing negative information from your credit history often results in a higher credit score.

LILLIANA: Well, I really want to buy a house, so I am going to start right away.

REBECCA: Also, let me share a sample letter with you that will be helpful in resolving any credit report inaccuracies you may have. Remember, it's really important that you keep records of correspondence.

LILLIANA: Yes, I am so glad I kept my police report. I am going to start a file to keep track of the accounts. Thanks so much for your help.

<Today's Date>
<Your Name>
<Address>
<City, State, Zip>

Complaint Department
<Company Name or Credit Bureau>
<Address>
<City, State, Zip>

To Whom It May Concern:

I am a victim of identity theft. The information listed below, which appears on my credit report, does not relate to any transaction(s) I have made. It is the result of identity theft.

<Identify item/s disputed, including: name of creditor or court (company name or tax court) and type of item (collection account or charge off).>

<i.e. CEDITOR COMPANY, Account 123-456-789, Collection Account>
Please block this information from my credit report, pursuant to section 605B of the Fair Credit Reporting Act, and send the required notifications to all furnishers of this information.

Enclosed are the following:

1. A copy of my credit report I received from your company. The fraudulent items are circled.
2. A copy of my Identity Theft Report and proof of my identity. (a copy of my driver's license/ government-issued id)
3. A copy of section 605B of the Fair Credit Reporting Act, which requires you to block the fraudulent information on my credit report resulting from identity theft within four business days and to promptly notify the furnisher(s) of that information.

I appreciate your prompt attention and await your reply.

Sincerely,
<Your Signature>
Enclosures:

1. Identity Theft Report

2. Proof of identity:

3. Copy of Credit Report

4. Fair Credit Reporting Act Section 605B [PDF]

*Instructions:*Modify all **items in bold and in tags** to include your own information.

Counseling Session—Robert

Bankruptcy

Profile: A 50-year-old homeowner confronting extended unemployment

Issue: Behind on mortgage and other bills. Seeking advice on filing for bankruptcy.

Bankruptcy Review

- Bankruptcy is an option for distressed homeowners.
- The two main types of bankruptcy for consumers are Chapter 7 and Chapter 13.
- Bankruptcy can have a negative impact on credit.
- There are alternatives to bankruptcy.

JACOB: What brings you in today?

ROBERT: I got laid off a couple of months ago and haven't been able to pay my mortgage. I'm feeling a lot of pressure with all these phone calls and letters from creditors and collection agencies with threats of foreclosure. I've heard that people in this situation could file for bankruptcy. I wonder if that is a good option for me.

JACOB: I'm sorry to hear that. I can tell you about bankruptcy, but I'd also like to tell you about other alternatives you have.

ROBERT: Okay. That would be great.

JACOB: So, let's start with bankruptcy. There are two types of bankruptcy, Chapter 7 and Chapter 13.

ROBERT: Yes, I remember learning about them in my class. What's the difference between them?

JACOB: Let's start off with Chapter 7, also known as **liquidation** bankruptcy. With Chapter 7, assets that are not exempt are collected and sold, and the proceeds are distributed to creditors. All eligible debts are discharged. To qualify for Chapter 7, you must meet with an attorney to determine your ability to repay your debts. This process is called a **means test**.

Liquidation

Process of selling non-exempt assets to repay creditors in Chapter 7 bankruptcy.

Means Test

A bankruptcy qualification that considers income and equity in assets to determine if a client has the ability to repay part of the debt.

A Chapter 13 bankruptcy, also called a wage earner's plan, allows individuals with regular income to develop a plan to repay all or part of their debts over three to five years. This can stop foreclosure proceedings and may cure delinquent mortgage payments over time. It also allows you to reschedule secured debts (other than your mortgage) and extend them over the life of the repayment plan, which may lower your payments.

ROBERT: Which one do you think is best for me?

JACOB: Well, as a housing counselor, I can't offer you that advice, or advise on whether to apply for bankruptcy or not. Every person's situation is different, and you should consult a bankruptcy attorney to find out how it will affect you.

ROBERT: Okay. I understand. But, can you tell me this: If I decide to apply for bankruptcy, will that be a bad thing?

JACOB: In general, bankruptcy can have a negative impact on your credit profile, which has wide-ranging consequences. Though some opportunities may be denied in the aftermath of a bankruptcy, others may simply cost more to obtain.

ROBERT: In what way?

JACOB: Let me explain a few of the potential impacts:

1. Bankruptcy will have a negative effect on credit standing by significantly lowering credit scores.
2. While it is sometimes possible to obtain loans after bankruptcy, consumers will typically qualify for more expensive loan options.
3. A future employer could check credit history as part of a background check, which could impact a potential job offer.
4. A landlord may decide that a potential tenant is too risky to rent an apartment or require additional financial information for the consideration, such as documentation of stable income or consistent rent payment since the bankruptcy discharge.
5. Insurance companies may charge higher premiums due to increased financial risk and banks may require additional deposits for accounts.

I can offer you these four alternatives:

1. Consider making adjustments to your household budget.
2. Ask for a loan modification.
3. Consider debt management.
4. Negotiate with lenders.

ROBERT: Okay. I am not sure how to do any of those. Could you help me?

JACOB: Sure. We can schedule another session to talk more about other options.

ROBERT: I'll plan to do that. Thank you very much for your help.

Additional Resources on Protecting Assets

Predatory Lending: Protect yourself from predatory lenders. For information about predatory lending, loan fraud, and advice about preventing them, visit OHC Information on Loan Fraud.

Identity Theft: Personal identity is valuable, and clients informed about ways to protect personal information can allow for greater financial security. For information about personal identity protection, visit the FTC's Consumer Information Section.

Consumer Protection and Alternatives to Bankruptcy: In order to file bankruptcy in the United States, consumers must complete credit counseling and debtor education with an approved organization. To find providers, see the DOJ List of Approved Credit Counseling Agencies and the DOJ List of Approved Debtor Education Providers. For more information about filing requirements, see Filing for Bankruptcy: What to Know.

Through case studies with Shirley, Maria, and Robert, we see that housing counselors have an important role in helping clients navigate complex systems to protect their assets.

With the right information and advice, clients can properly confront difficult financial situations.

Knowledge Check 1

Organize the items on the right by placing the letter under its corresponding category on the left.

Steps to Protect against Identity Theft

____
____
____
____

Steps to Take after Identity Theft

____
____
____
____

A. Initiate a fraud alert.
B. Shred financial documents.
C. Cancel credit cards and order new bank cards.
D. File a police report.
E. Review bank and credit card statements.
F. Contact the FTC.
G. Safeguard personal identity information.

Knowledge Check 2

Which is *least* urgent step for a client to take in the event of identity theft?

- ☐ A. Create an identity theft report.
- ☐ B. Contact the insurance company.
- ☐ C. Order credit reports from the credit reporting agencies.
- ☐ D. Place a fraud alert.

Knowledge Check 3

In some cases, bankruptcy may be the best option for a client. Which option would be the *least* appropriate for a housing counselor to present as an alternative to bankruptcy?

- ☐ A. Debt management plan (DMP)
- ☐ B. Household budget adjustment
- ☐ C. Loan modification
- ☐ D. Negotiation with creditors
- ☐ E. Wait seven years for accounts to drop from credit report

Knowledge Check 4

Use the letter A or B to indicate which feature belongs with which type of bankruptcy.

A. Chapter 7
B. Chapter 13

___ 1. Liquidation of assets

___ 2. Allows clients to retain certain secured debts, such as a house or car

___ 3. Involves a repayment plan

___ 4. Requires a means test

___ 5. May be a better option for a client with no assets

___ 6. May be a requirement for a client with regular income

Knowledge Check 5

It is the responsibility of the counselor to determine whether or not a client should file bankruptcy.

- ☐ A. True
- ☐ B. False

Knowledge Check 6

Using the letters, match the Discussion Topics with the subject that the client has raised. (*Note: One answer is used twice*)

A. Discussion about Predatory Lending
B. Discussion about Bankruptcy - Chapter 13
C. Discussion about Identity Theft
D. Discussion about Bankruptcy - Chapter 7

___ 1. Unemployed client faces eviction and multiple credit card debts and other debts due to medical emergency

___ 2. Client receives multiple collection notices for unknown accounts/companies

___ 3. Client with low income and good credit receives loan offer with terms that are twice the market rate

___ 4. Client with low income has fallen behind on several unsecured loans and now faces foreclosure, but wants to try to keep his family in the home

___ 5. Client cannot obtain credit despite the knowledge that there are no negative accounts on their credit.

SUMMARY

In this module, you learned to:

1. Advise a client about common types of predatory lending and how to avoid it. Identify and improve positive credit habits.
2. Describe to a client how to protect personal identity information and action to take when confronted with identity theft.
3. Explain how Chapter 7 and 13 bankruptcy affects credit scores, lending decisions, and housing applications.
4. Comprehend what is appropriate to discuss regarding bankruptcy with a client.

Appendix

Knowledge Check Answer Key

1. **Correct matched items:**

Steps to protect against identity theft	Steps to take after identity theft
Thoroughly shred financial documents—thieves can steal discarded financial paperwork to obtain pertinent identity information.	Cancel credit cards and order new bank cards—canceling cards will restrict all access gained by the identity thief. In some cases, a client may want to close certain accounts altogether.
Review bank and credit card statements—monitoring statements and balances to verify account activity will help alert a potential victim of any suspicious transactions.	File a police report—a police report will be necessary to provide proof of theft to some companies and financial institutions.
Safeguard personal identity information—the most valuable information a thief can obtain is a social security number or birth certificate, so it is important to keep this information secure.	Contact the FTC—it is important to obtain an Identity Theft Affidavit from the FTC to include with the police report and support the claim.
	Initiate a fraud alert—though it is possible to place a fraud alert to prevent identity theft, it is an essential step to take after a theft takes place.

2. **(B) Contact the insurance company**

   While a client may have coverage to assist in the event of identity theft, this item is not an immediate priority.

   Incorrect answers: (A) Create an identity theft report—clients may need to provide proof of identify theft to their creditors. An identity theft report will support their proof; (C) Order credit reports from the credit reporting agencies—a client will need to monitor credit and dispute any information related to the identity theft as soon as possible, and (D) Place a fraud alert—a fraud alert will help prevent future attempts of an identity thief to obtain credit.

3. **(E) Wait seven years for accounts to drop from credit report**

   If clients are considering a home purchase or expect to utilize credit in the future, it is rarely advisable for clients to ignore debts. While most negative information can only be reported to the credit reporting agencies for seven years, some states allow creditors to file judgments beyond that time frame.

   (A) Debt management plan (DMP)—A debt management plan could be a valid option for a client to avoid bankruptcy; (B) Household budget adjustment—sometimes a basic approach like this can help the client find a simple solution; (C) Loan modification—a loan modification could be a valid option for a client to avoid bankruptcy; and (D) Negotiation with creditors—if a client can reduce the fees and other penalties associated with a debt or collection, they may be able to catch up on their own.

4. **Correct matched items:**

   (A) Chapter 7: 1. Liquidation of assets; 4. Requires a means test; 5. May be a better option for a client with no assets

   (B) Chapter 13: 2. Allows clients to retain certain secured debts such as a house or car; 3. Involves a repayment plan; 6. May be a requirement for a client with regular income

5. **(B) False**

   The role of the counselor is to ensure that the client is aware of their options.

6. **Correct matched items:**

   (D) Discussion about Bankruptcy—Chapter 7: Unemployed client faces eviction and multiple credit card debts and other debts due to medical emergency.

   (C) Discussion about Identity Theft: Client receives multiple collection notices for unknown accounts/companies.

   (A) Discussion about Predatory Lending: Client with low income and good credit receives loan offer with terms that are twice the market rate.

   (B) Discussion about Bankruptcy—Chapter 13: Client with low income has fallen behind on several unsecured loans and now faces foreclosure, but wants to try to keep his family in the home.

   (C) Discussion about Identity Theft: Client cannot obtain credit despite knowledge that s/he has no negative accounts.

Resources

DOJ List of Approved Credit Counseling Agencies

www.justice.gov/ust/eo/bapcpa/ccde/cc_approved.htm

DOJ List of Approved Debtor Education Providers

www.justice.gov/ust/eo/bapcpa/ccde/de_approved.htm

FTC's Consumer Information

www.consumer.ftc.gov

OHC Information on Loan Fraud

www.hudexchange.info/resource/4746/ohc-information-on-loan-fraud

Sample Letter for Disputing Errors on Your Credit Report

https://consumer.ftc.gov/system/files/consumer_ftc_gov/pdf/fcra-605b.pdf