

# What is consumer credit counseling?

## **Author**

Northwest Justice Project

## **Last Review Date**

April 20, 2025

If you're struggling with debt, a **consumer credit counselor** may be able to help you. Learn what a consumer credit counselor can do and how you can find one.

#### What can a credit counselor do?

**Don't pay anyone to consolidate or settle your debts.** Some companies claim they can help you deal with your debt or repair your credit. They may charge you a lot of money and not deliver on their promises.

A credit counselor can give you a free consultation. The counselor will review your finances and help you understand what options you have for getting out of debt as quickly as possible.

A credit counselor can help you:

- Get rid of late fees and over-limit charges.
- Stop collection calls.
- Lower interest rates no matter what your credit score is.



- Consolidate your bills into one smaller monthly payment.
- Pay off your debt faster.
- Improve your money habits.

#### How do I find a credit counselor?

The National Foundation for Consumer Counseling has a <u>list of member</u> agencies (http://www.nfcc.org/), or call 1-800-388-2227.

The U.S. Department of Justice has a <u>list of government-approved credit</u> <u>counseling agencies</u> (https://www.justice.gov/ust/credit-counseling-debtoreducation-information).

Think carefully before paying for credit counseling or a debt management program. Shop around (https://consumer.ftc.gov/articles/how-get-out-debt#Credit%20Counseling). Compare a few services and get a feel for how they operate. The credit counselor should spend at least 20 to 30 minutes with you to get a full picture of your finances. An organization may say it is "nonprofit," but that doesn't mean its services are free or affordable.

#### Should I use a consumer credit counselor?

You might not have to. If <u>your income and personal property are protected</u> <u>from garnishment</u>, you may not need to repay your debts.

# Should I file for bankruptcy?

Bankruptcy should be your last resort to deal with your debt. Under federal law, you must get credit counseling from a government-approved organization within 6 months before you file for any <u>bankruptcy relief</u>. A credit counselor may help you find other options.

**WashingtonLawHelp.org** gives general information. It is not legal advice. Find organizations that provide free legal help on our <u>Get legal help</u> page.