

# NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



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## FOR IMMEDIATE RELEASE

### SCDCA RECOVERS MONEY FOR CONSUMERS

**Columbia, SC...** ...This month marks the one-year anniversary of the Consumer Credit Counseling Act. Since the act was passed, the South Carolina Department of Consumer Affairs (SCDCA) has been working to recover consumers' money and prevent dishonest credit counseling practices. The act allows the Department to regulate credit counselors and organizations by monitoring services they offer. Additionally, the Department is able to protect consumers from being charged excessive fees. In November alone, SCDCA retrieved approximately \$63,000 in consumer refunds from in-state and out-of-state credit counseling entities. The November refunds were collected from just two companies and returned to 79 consumers for an average refund of nearly \$800 per consumer. This amount, however, represents just part of the total refunds the Department has collected for consumers this year.

The law, which took effect December 2, 2005, provides certain protections for consumers against dishonest debt management, credit repair, and debt settlement/negotiation services. Under the law, these organizations must comply with the following standards:

- Counselors and organizations must be licensed with SCDCA and follow SCDCA fee limits.
- Organizations must provide consumers with a financial education program.
- Counselors must provide consumers a written budget analysis before determining if a consumer should sign a Debt Management Plan contract.
- Counselors and organizations must provide the consumer a copy of the contract and cannot have the

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#### About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers.

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit [www.sccoconsumer.gov](http://www.sccoconsumer.gov).

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consumer sign a contract with blank spaces.

- Counselors and organizations cannot request voluntary contributions.
- Businesses must cancel contracts at anytime if given ten days' written notice from the consumer.

**Coming Soon:**

SCDCA will be releasing a comprehensive report regarding the credit counseling law and actions taken by the Department this year. The report will be available for all consumers and organizations during January 2007.

For more information, contact the Public Information & Education Division at 803.734.4190, toll free at 1.800.822.1594 or online at [www.sccoconsumer.gov](http://www.sccoconsumer.gov).

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