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## **2014 Annual Report – Colorado Debt-Management Services Providers**

This is a composite of all reports made to the Administrator of the Uniform Consumer Credit Code, pursuant to 12-14.5-211(c)(8), C.R.S., from registered Debt-Management Providers. This information has not been independently verified.

### **2014 General Information**

Number of Providers reporting data for 2014: 42 <sup>1</sup>

Total number of agreements Colorado consumers entered into during 2014: 4,366

<b>Total Activity for 2014 by Provider Type</b>	<b>Credit Counseling <sup>2</sup></b>	<b>Debt Settlement <sup>3</sup></b>
Total Number of Agreements	2,961	1,405
Average Amount of Debt per Consumer at enrollment	\$16,750.32	\$27,491.53
Average Term of Agreement	47.5 months	37.3 months
Average Fees Collected <sup>4</sup>	\$201.61	\$510.44

### **2014 Credit Counseling Activity**

Money received from Colorado Consumers: \$64,956,324.00

Money paid to Creditors: \$62,094,112.00

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Number of Agreements	2,961	3,722	4,284	5,330	6,332
Percent of Completed Agreements <sup>5</sup>	1.99%	4.76%	9.80%	21.69%	28.16%
Percent of Active Agreements	79.30%	55.72%	42.97%	30.09%	13.99%
Percent of Terminated Agreements	18.71%	39.52%	47.23%	48.22%	57.85%

<sup>1</sup> Of this number, 36 are credit counseling providers, 5 are debt settlement providers, and 1 provides both services. It is important to note that data for this report was obtained only from REGISTERED Colorado Debt-Management Services Providers. This report does not include the significant number of Colorado consumers who enroll with unregistered providers.

<sup>2</sup> Credit counseling providers work with a consumer's creditors to establish a debt management plan that may include interest rate reductions, lower fees, and lower monthly payments. Plans typically provide full repayment of the principal amount of debt enrolled in the plan. Consumers make monthly payments to credit counseling providers. This money is held in the provider's trust account. Funds are then disbursed monthly to creditors on behalf of the consumer.

<sup>3</sup> Debt settlement providers negotiate with a consumer's creditors to settle debts for less than the full balance owed. Debt settlement providers do not make regular payments to creditors. Instead, consumers make monthly deposits into savings or special purpose accounts. Once a certain balance in the account has been achieved, the debt settlement provider attempts to reach a settlement with each creditor for less than the full balance owed.

<sup>4</sup> Maximum allowable charges for credit counseling providers may not exceed \$50 for a monthly service fee and a one-time \$50 initial set up fee. Debt settlement providers are prohibited from collecting any fee until a debt has been settled.

<sup>5</sup> "Completed agreements" means all debts settled or paid.

## **2014 Debt Settlement Activity**

Total Amount of Debt Covered Under Debt Settlement Agreements: \$45,588,241.00

For Debt Settled in 2014:

Original balance at time of enrollment: \$15,940,503.00  
Balance of debt at time of settlement: \$17,699,896.00  
Settlement amount paid: \$8,101,940.00

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Number of Agreements	1,405	1,358	1,360	1,146	1,892
Percent of Completed Agreements	0.43%	2.28%	4.93%	13.18%	20.98%
Percent of Active Agreements	72.74%	50.00%	30.29%	17.54%	4.92%
Percent of Terminated Agreements	26.83%	47.72.%	64.78%	69.28%	74.10%