



Date: 11/10/09  
For account ending: C

**Chase doesn't deal with debt settlement companies. Here's why.**

Chase Bank  
3000 Las Vegas Blvd S  
Las Vegas, NV 89129-7662

According to the Federal Trade Commission debt negotiation differs from credit counseling, and can be very risky!

Dear [Name],

A debt settlement company recently contacted us claiming to represent you in connection with your account at Chase. You've been a valued customer, and we want to help you with a full range of payment assistance options - including settlements. However, Chase has a policy not to negotiate with debt settlement companies.

According to the Federal Trade Commission (FTC), "Debt negotiation differs greatly from credit counseling and Debt Management Plans. It can be very risky, and have a long term negative impact on your credit report and, in turn, your ability to get credit. That's why many states have laws regulating debt negotiation companies and the services they offer. Contact your state Attorney General for more information."

Debt settlement companies usually tell consumers to stop paying credit cards directly, and instead, to send payments to the debt settlement company. If you stop making payments on a credit card, late fees and interest may be added to the debt each month. If you exceed your limit, additional fees and charges can also be added. This can cause your original debt to double or triple. What's more, most debt settlement companies charge consumers substantial fees for their services. To quote a recent article in *The New York Times*:

*"Consumers who turn to these companies sometimes get help from them, personal finance experts say, but that is not the typical experience. More often, they say, a settlement company collects a large fee, often 15 percent of the total debt, and accomplishes little or nothing on the consumer's behalf."*

It remains your responsibility to make at least the minimum amount due on your account. If you do not pay Chase directly there is no guarantee Chase will receive the money.

The good news is that Chase offers settlements and other payment assistance options directly, and makes free referrals to accredited, non-profit credit counseling organizations. We invite you to call Chase now to discuss these options at 1-888-800-6417.

There's no fee for making a settlement directly with Chase. And, because not everyone has enough cash to make a settlement, we offer several other options - including interest rate reductions that can cut your monthly payments. For more details, please call us now at 1-888-800-6417, and be sure to see the enclosed Q&A brochure.

Sincerely,

Customer Support Manager

P.S. Depending on your qualifications, a Chase payment plan can lower your interest rate, waive applicable fees and penalties, reduce monthly payments or even settle your debt for less than you owe. You have options. Call now to discuss them at 1-888-800-6417.

\* Facts for Consumers - Know Your Debt at <http://www.ftc.gov/bep/adv/pubs/consumers/coll/0719.shtml>  
\*\* Debt Settles Offer Promises but Little Help, *The New York Times*, April 20, 2006.  
Account is owned by Chase Bank USA, N.A. Calls may be monitored and/or recorded to ensure the highest level of quality service. IRS requires us to provide them with information about certain amounts that are discharged as a result of a conclusion of a debt on a claim 1099-C. If we are required to notify the IRS, you will receive a copy of the form.

**THE GOOD NEWS:**  
You can work with Chase directly for settlements and other assistance options.  
Call 1-888-800-6417.

Or call 1-888-800-6417 for a free referral to a reputable non-profit credit counseling agency.

Q. What is a settlement and how does it work?

A. A settlement means both you and the lender agree to settle for an amount less than your original debt. Once the agreement is made, you need to pay the settlement either in one lump sum or — in the case of settlements at Chase! — in up to 4 equal monthly payments. If you think a settlement is right for you, you should call Chase directly, as we do not negotiate through debt settlement companies. If you do not qualify for a settlement, we have several other options available to help resolve your debt.

Q. What alternatives to a settlement does Chase offer?

A. Chase has a wide variety of payment assistance programs that can, depending on your situation:

- Cut interest rates, either temporarily or permanently
- Waive fees and penalties
- Set affordable, fixed payments that pay off your debt in 60 months or less
- Refer you to an accredited, non-profit credit counseling organization

Q. Why doesn't Chase deal with for-profit debt settlement companies?

A. While there are legitimate debt settlement companies, there have been numerous complaints reported in major news media including The New York Times, and The Wall Street Journal, and by government agencies including the Federal Trade Commission, and the Attorneys General of New York, California, Florida and other states. The complaints allege misleading advertising, up-front fees of 15% or more with no guarantee of success, and withholding of minimum monthly credit card payments without making consumers aware of the costly and damaging consequences. In addition, there is a lack of standardized national regulation of the settlement industry and the claims these companies make in their advertising.

Q. Are debt settlement companies the same as credit counselors?

A. No. While most debt settlement companies are for-profit enterprises set-up in recent years to capitalize on credit card debt problems, non-profit credit counselors have been serving American consumers since the early 1950s and meet standards set by national organizations such as the National Foundation for Credit Counseling, the Association of Independent Credit Counseling Agencies and the American Association of Debt Management Organizations. Credit counselors do not halt payments and cause further damage to a consumer's credit, but instead negotiate reduced payments across multiple creditors as part of a Debt Management Plan. Credit counselors also provide education, training and guidance to help consumers make better financial decisions in the future.

Q. Why is it so important to make minimum payments directly to Chase?

A. If you make payments to a debt settlement company, there is no guarantee any of the money will go to pay your monthly Chase credit card bill. Yet you remain responsible for paying at least the minimum amount due every month. Failure to make minimum payments will damage your credit rating, incur expensive penalties and result in ongoing collection activity that can include the possibility of litigation and garnishment of wages.

Q. What if you cannot afford to make the minimum payment?

A. Then you need to call Chase right away to make alternative arrangements. Chase recognizes lots of people have problems resulting from the extraordinary circumstances in today's economy. We have powerful payment assistance programs to help you. Please call without delay.

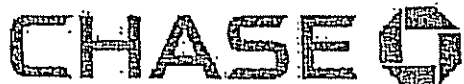
Call us. We're here to help you. 1-888-800-6417

CHASE

Is this true?

(4)

*Not true as evidenced by recent settlement (see attached)*



TAMPA FL. 33607

15-7707

11/16/2006

*Chase settled an account with a  
debt settlement company - contrary to their letter  
to another client!*

Total Balance: \$ 1271.63

Dear: [Redacted]

We are pleased we found a settlement that works for you. This letter confirms that we agreed to settle your credit card account for \$ 318.00 . As a result of this settlement, you will benefit from all these advantages:

You will only pay \$ 318.00 , a significant savings over the full balance. We will stop all attempts to collect. Upon conclusion of the settlement, we will report your account to the national credit bureaus as settled with a remaining balance due of zero (0.00).

To accept this offer, please send your payment(s), as follows:

Payment Amt: \$ 318.00                      11/30/2009

Payment Amt: \$

Payment Amt: \$

Payment Amt: \$

The total settlement amount must be received within the agreed timeframe. If you do not complete your settlement arrangement on time, this agreement will become null and void. We will continue our collection efforts.

We have the following convenient payment options available for you:

<u>Electronic Payment</u>	<u>Regular Payment Address</u>	<u>Overnight Address</u> (FedEx, UPS)
Provide your Checking Account information over the phone, free of charge by calling 1-866-260-5557	Cardmember Service P.O. Box 94014 Palatine, IL 60094-4014	Cardmember Service 2500 Westfield Dr. Elgin, IL 60123

Please call us toll free at 1-866-260-5557 if you have any questions about your settlement agreement. We look forward to settling your account.

Sincerely,  
  
Terrence R. Izbinski  
Internal Recovery Unit

25%