



THE LAW OFFICES OF NEIL CRANE

Comparison between Differing Debt Resolution Options

| | Debt Consolidation | vs | Debt Settlement | vs | Bankruptcy |
|---|---|----|---|----|--|
| Damage to Credit Score | High | | Medium depending on number of settlement | | Medium, Credit Score rebounds faster |
| Damage to Credit Report | High Score reflects defaulted payments | | High-Score reflects less than all paid | | Medium- Bankruptcy filing acknowledged |
| Payment Flexibility | Low- all consolidation req. full payment at no or Lower interest rate | | High- one time payment for less than full amount | | No repayment under Chapter 7 or percentage repayment under Chapter 13 |
| Time Period to Resolve | Three to Five years | | Six to Nine months to achieve max settlement | | Weeks for Chapter 7 /Three to five years Chapter 13 |
| Legal Professional Needed | Recommended but possible without assistance of legal prof. | | Best results with use of Legal Professional | | Necessary to hire Legal Professional to file documents with Court and protect assets |
| Tax Ramification | No | | Yes- Tax Liability for all debt not repaid | | No |
| Property Protected | Not Necessarily-dependng on circumstances | | Not Necessarily- depending on circumstances | | Yes |
| Program Fees | High fees | | Sliding scale depending on attorney | | Flat fees according to Attorney fee schedule |
| Debt Amount re-paid | 100% repayment | | Percentage of debt | | Zero repayment of Debt in Chapter 7 /10% to 100% repayment of Debt in Chapter 13 |
| Success Rate | Low- Monthly payment is High | | Medium- If lump sum payment available | | High |
| Creditor Harrassment | High- Creditors still contact Debtors regarding resolving default | | High-Creditors still contact Debtors | | None Creditors forbidden to contact |
| Chance of Lawsuit Commencement | High- if all debt not consolidated lawsuits can be filed | | High-Creditors can sue if settlement not reached | | None Creditors forbidden from commencing suit or continuing suits |
| Resolution of Multiple Creditors vs Few | Depends on number of creditors agreeing to Consolidation | | Depends on Number of Creditors agreeing to Settle | | All Creditors included in Bankruptcy filing |
| Type of Debt Handled | Credit card | | Mainly unsecured personal debt | | Most debt in Chapter 7/All Debt in Chapter resolved within Bankruptcy filing |
| Global Financial Resolution of all Debt | Low | | Low to Medium | | High |