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BROKER BANKERS OF THE MONTH

DAN SMITH
ALEX VIECCO

NEW ERA DEBT SOLUTIONS

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Dan Smith and Alex Viecco have each worked in financial services for years. Now, as the cofounders of New Era Debt Solutions, they've been working together for nearly a decade. When the two met in 1996 they were both financial consultants, making them both privy to a frightening reality. Consumer debt was reaching epic levels. And worse, they recognized that credit counseling was not the solution for many people, as it took on average 5-9 years until the debt was paid off. Moreover, the facts showed that more than 3 out of 4 consumers who started credit counseling never completed it.

BREAKING THE HISTORY OF SILENCE:

It became evident as soon as Alex and Dan launched their company that debt settlement was relatively unheard of. "When we started in debt settlement, there were only about 20 debt settlement companies in the nation," says Alex. Moreover, those few debt settlement companies were virtually unknown to consumers as a viable alternative to credit counseling. The media, which supported credit counseling as a way for Americans to manage their out of control consumer debt, was reluctant to lend support to debt settlement companies. That is, virtually no message was being delivered to consumers that there was an alternative to bankruptcy and to credit counseling. Dan and Alex recognized this fact, but also realized that the silence was in part, warranted.

"We've talked a great deal with the media since forming New Era and we understand why this service has been under-reported. The truth about debt settlement is that it is an unregulated industry. There is no licensing required, and consequently we're not recognized by the government. But since day one, Dan and I have been absolutely determined to change all of that," Alex adds. To that end, Alex and Dan immediately became members of The Association of Settlement Companies (TASC), the largest trade association serving the debt settlement industry. All TASC members voluntarily agree to comply with the association's strict industry standards.

One of the next steps that Alex and Dan took to begin raising the bar of the debt settlement industry was to contact Gerri Detweiler, one of the nation's foremost consumer advocates. Detweiler has testified before Congress, assisted in the reform of federal credit reporting laws, and has been featured in thousands of radio, television and print stories, including: USA Today, The Wall Street Journal, The New York Times, Dateline NBC and the Today Show. She is also the author of *The Ultimate Credit Handbook* and the founder of www.DebtConsolidationRX.com.

Dan and Alex knew that there had to be a better way for consumers to get out of debt and avoid filing bankruptcy. The two ultimately joined forces in 1999 and began building their debt settlement company, which would eventually become New Era Debt Solutions. Armed with decades of financial and business management experience, and both holding professional real estate licenses, Dan became the President and CEO, and Alex took the helm as Vice President and Co-founder. Now, after years of hard work, that partnership has grown to employ 55 associates in a 20,000 square foot office in Camarillo, CA.

"We had the chance to speak with consumer advocate Gerri Detweiler and invited her to conduct due diligence on the practices that we employ at New Era Debt Solutions," says Dan. "After objectively examining our processes, our fee structure, and our results, Gerri gave us a non-paid endorsement. This confirmed what Alex and I inherently knew; that debt settlement is a viable option for thousands of consumers, but there are few companies who abide by the same standards of excellence that New Era Debt Solutions does," he continues. "Gerri's endorsement consequently, meant the world to us. That's why

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"Dan and Alex believe the success-oriented fee structure has helped create great results for New Era Debt Solutions, the incentive to obtain the best possible discount are based on this method."

it is so important that we get the message out to mortgage originators and bankers who work with clients in debt, that they need to make sure they are referring their clients to a debt settlement company, which adheres to quality standards," he adds.

HISTORY REPEATS ITSELF: THE MORTGAGE PARALLEL

Since Alex and Dan launched New Era Debt Solutions, thousands of companies offering debt settlement services have sprung up nationwide. Similar to the recent mortgage boom, not everyone who has entered into the debt settlement industry is in it for the helpful services they provide clients. New Era is certainly the exception.

With the help of Gerri Detweiler, Alex and Dan have created a checklist for clients and for referring partners to help determine the merits of a particular debt settlement company. The 14 point check list can be found in its entirety on www.neweradebt.com. However, the points on the checklist which most obviously distinguish New Era from other debt settlement companies focus on fee structure, experience, and guaranteed results. In short, New Era Debt Solutions provides old fashioned, quality service, based on core values.

OLD FASHIONED SERVICE OR THE MODERN WORLD

"95% of the debt settlement companies in this country follow a flat fee structure model," says Alex. "The majority of them also collect the fees from clients before providing the service," he

continues. "Imagine as a mortgage broker, telling your clients to pay you before you find and close the best loan for them. That just doesn't make any sense. There is no motivation for the associates at companies like this to work hard at settling the debt as the company has already been paid," he adds.

In stark contrast to a flat fee based structure, New Era Debt Solutions operates on a success oriented fee structure. This means that they receive minimal payments from their clients, until the debt is settled. "We charge a nominal set up fee, and a small monthly maintenance fee. After that, we do not get paid until we settle debt for our client," Dan explains. "We call this a success-oriented fee structure, because New Era Debt Solutions has the incentive to obtain the best possible discount based on this method. Many of our competitors charge a high fee regardless of whether or not a good discount is obtained, but we believe it's best to ensure our clients obtain the best possible result through this approach," he continues.

New Era's settlement fees are equivalent to 1/3 of the savings that they negotiate on behalf of their clients. For example, if a client owes \$5,000 on a particular account, and New Era negotiates a debt reduction to \$2,000 the client has saved \$3,000. New Era would then be paid 1/3 % of the savings of \$3,000 or \$1000. The client would then pay \$2,000 to the creditor, \$1,000 to New Era and the debt would be eliminated. The total client payout would be \$3,000.

But fee structure at New Era isn't only different in regards to how



the company is paid, but also in the way its representatives are paid. While sales representatives for other debt settlement companies are often paid on commission, increasing the incentive to bring in as many clients as possible; New Era Debt Solutions' representatives are not paid on commission. This is partly due to the fact that New Era also qualifies each individual who comes to them, to ensure that debt settlement is a viable option.

"Debt settlement doesn't work for every client, and we understand that. As a general guideline, clients need to have at least \$10,000 in unsecured debt to be considered," says Alex. Additionally, clients need to have experienced some form of financial hardship; however often times clients don't even identify their own hardship. "Many people don't realize that injuries, loss of employment, medical emergencies and other issues are absolutely considered financial hardship. We spend time talking with each client so as to properly qualify them for our debt settlement services" he adds.

Part of the reason that New Era is so committed to properly qualifying each client is because unlike most debt settlement companies; they offer clients a 100% money back guarantee. "If after one year, we don't provide a client with a settlement of .50 cents on the dollar on at least one account, they get 100% of their money back, with no questions asked," says Alex.

TIME TESTED REPUTATION, RESULTS

The reasons that New Era Debt Solutions is comfortable offering their money back guarantee are many. First, because of their

lengthy experience in negotiating and settling debts, they recognize which clients are the best candidates for debt settlement. "We have years of experience in listening and identifying who will be a successful client," says Alex. "It's our job to give them guidance." As part of the New Era's core values and commitment to guidance; Dan and Alex acknowledge that sometimes they do refer certain consumers to credit counseling and other services. "We prefer to help people avoid bankruptcy at all cost," says Dan.

A second reason that Alex and Dan are so confident in their negotiating team, that they offer a money back guarantee, is because New Era Debt Solutions has an impeccable reputation with creditors. "We've been negotiating debt for a very long time, and we've built a great reputation," says Dan.

"Banks also recognize that they will make more of their money back through settlement than through collection agencies," he adds. However, Dan is quick to point out that "Unlike credit counseling, which is paid by the creditors, New Era is not. Our loyalty lies only with our clients, and our only objective is to negotiate the debt to levels in the best interest of our clients."

The negotiation skills that New Era Debt Solutions representatives have finessed have culminated in astonishingly impressive results. "We settle on average, \$2.5 million dollars of debt each month," says Alex. But perhaps more significantly, "We've settled more debt per client than any other debt

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settlement company in the country.” While these facts speak for themselves, Alex is quick to point out that there is primary reason that New Era Debt Solutions is so successful. “The lenders and creditors know who we are, and they know that we haven’t jumped on the bandwagon of cashing in on the debt settlement industry recently. We’ve been doing this a long time, and they trust us,” he adds.

Clients of New Era Debt Solutions also benefit from the experience and expertise at New Era. “Our average client settles all of their debt within 22 months. Although they may sign up for 3 years, we are often able to get it done faster,” Dan says. But what’s even more important to Dan and Alex than the expedited completion of settlement, are the skills that clients learn along the way. “Because of our educational component, clients realize that they don’t need credit to survive. We certainly don’t get repeat clients, and obviously, we don’t want them,” he adds.

FORGING AHEAD INTO THE NEW ERA:

Despite the emergence of so many competing debt settlement companies, New Era Debt Solutions still shines as a beacon in the industry. In 2008, New Era was bestowed with the British Standards Institute (BSI) TASC Best Practices Accreditation. The certification process involves an objective third party auditor/assessor who essentially rates the performance and best practices being used by a company. “We far exceeded their standards,” says Alex. This in itself is no small feat however, as “Only a handful of other debt settlement companies have the Best Practices Accreditation,” he continues.

While Alex and Dan are certainly pleased with the success, longevity and reputation, that New Era has earned, they are now focused on raising the standards of the entire debt settlement industry. “We are determined to raise the bar across the board for debt settlement. We are working with legislators to try to introduce laws that would require licensing and government standards for all debt settlement companies. We want consumers only to work with the most ethical, experienced debt negotiators in the nation. That means that we need to make sure that anyone claiming to be a debt settlement company is held to the highest standards of excellence,” Alex says. “We are determined to lead others by our example.” To clients, to lenders, to creditors and to referring partners, New Era Debt Solutions has certainly done just that. ||

For more information on New Era Debt Solutions, please call 1-800-477-2010



"Reviewing each individual cases is part of the process to ensure the greatest success"



"Continuous training gives New Era's professional staff a competitive edge"



"Testimonial letters from clients and institutions makes New Era Debt Solutions very proud of servicing the communities"