



CDRI Statement on Ancillary or Add-On Products (12-22-21)

CDRI's mission is to advance the highest consumer protection standards to ensure that debt-distressed consumers have access to safe and transparent solutions to achieve financial stability. To that end, we are committed to ensuring that consumers have access to products and services that help them achieve the goal of debt relief. These services can include third-party ancillary or 'add-on' products such as certain legal services plans, credit monitoring, or identity theft protection plans.

CDRI members are required to operate in compliance with all state and federal laws. We remain focused on consumer and industry issues and, as such, we understand that there are concerns in the industry surrounding the offering of add-on products when selling debt settlement services; these products are lawful, can provide value to consumers, and should be monitored, but not unnecessarily restricted. Members who choose to offer these products may do so provided that they adhere to the TSR (including the ban on up-front fees), UDAAP, and any other relevant state and federal regulations. We recognize that the offering of these products, if not done so compliantly, may present a conflict of interest. As with any other product or service, the terms should be fully disclosed upfront, the fee should be reasonable and reflect the value received by the consumer and the product or service should not be offered through coercion or deception. CDRI members should also avoid entering into contracts with consumers for settlement services that are contingent on the purchase of add-on products.

When offering any products or services to consumers, we expect that our members will only offer products that meet consumers' needs and are sold in a manner that is fully compliant with applicable law. CDRI also supports measures that promote transparency and clarity in marketing and contracting for add-on products. If you have any questions regarding these products, you should seek independent legal advice prior to offering them to your clients.

CDRI encourages legislators and regulators to support proposals for certain add-on products that are beneficial to consumers and provide legitimate financial benefit to consumers struggling to resolve their debt issues.