

FEDERAL ELECTION COMMISSION
Instructions for Debt Settlement Plan (FEC FORM 8)

INSTRUCTIONS FOR DEBT SETTLEMENT PLAN, PART I

Political committees that settle their debts for less than the full value are required to file a debt settlement plan for Commission review. Only terminating committees are eligible to file debt settlement plans. A terminating committee is one that is winding down its political activities in preparation of filing a termination report and would be able to terminate except that it has outstanding debts and obligations. A political committee will be considered to be winding down its political activities if it has ceased to make or accept contributions and expenditures, other than contributions accepted for debt retirement purposes and expenditures representing payments of debts or obligations previously incurred or payments for the costs associated with the termination of political activity.

Every terminating committee that settles a debt for less than full value shall file at least one debt settlement plan for the Commission to review, prior to filing its termination report. The plan should be filed *after* the creditors have agreed to the settlement. Payments should not be made until completion of Commission review.

Debts and obligations subject to debt settlement and Commission review include amounts owed to commercial vendors, debts arising from advances by committee staff and other individuals, salary owed to committee employees and debts arising from loans from political committees or individuals, including candidates, to the extent permitted under 11 CFR Part 110.

Debts and obligations that shall not be forgiven or settled for less than the amount due include repayment obligations pursuant to 11 CFR 9007.2,

9008.10, 9008.11, 9038.2 or 9038.3 of funds received from the Presidential Election Campaign Fund or the Presidential Primary Matching Payment Account. Debts that are disputed are not subject to the debt settlement and Commission review requirements and procedures.

Committees that file or who have filed a debt settlement plan should continue to report each outstanding debt or obligation included in a debt settlement plan on its report of receipts and disbursements until the Commission has informed the committee that it has completed its review of the plan.

Treasurer's Responsibilities

A copy of this Plan must be preserved by the treasurer of the political committee for a period of not less than three years from the date of filing. The treasurer of the political committee is personally responsible for the information submitted in the plan and for responding to any Commission request regarding the plan or any information contained in it.

Where to File

An original must be filed as follows:

- Committees which only support or oppose a candidate(s) for the Senate must file with the Secretary of the Senate, Office of Public Records, 232 Hart Senate Office Building, Washington, D.C. 20510-7116.
- All other political committees must file with the Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463.

Political committees filing a debt settlement plan must file with the Secretary of State (or appropriate State officer) of each state a copy of that portion of the report applicable to candidates seeking (who sought) election in that State. Principal campaign committees of House and Senate candidates must file a copy of this form with the

state in which the office is sought, with the exception of committees of candidates in states that have qualified for the Commission's state filing waiver program. Principal campaign committees of Presidential candidates must file a copy of this form in each state in which they have made expenditures, with the exception of those states that have qualified for the Commission's state filing waiver program. A list of qualified states is available from the Federal Election Commission.

Unauthorized political committees must continue to file copies of this form with the states in which they have their headquarters, with the exception of committees that are located in states that have qualified for the state waiver program.

Line-by-Line Instructions for Part I

Fill out the committee's full name, address and the FEC identification number assigned to your committee.

LINE 1. Enter the committee's cash on hand and the date.

LINE 2. Calculate the value of any of the committee's assets that can be liquidated. Enter the total amount on Line 2.

LINE 3. Add Lines 1 and 2.

LINE 4. Enter the year to date receipts for the calendar year.

LINE 5. Enter the year to date disbursements for the calendar year.

LINE 6. Enter the total amount of debts and obligations owed by the committee, including loans.

LINE 7. Enter the total number of creditors owed by the committee.

LINE 8. Enter the number of creditors that are in Part II of this plan.

LINE 9. Total the debts owed to the creditors in Part II of this plan, and enter the amount on this line.

LINE 10. Add the amounts to be paid to the creditors in Part II of this plan, and enter the amount on this line.

LINE 11. Only committees that are terminating are eligible to file a debt settlement plan. Check the appropriate box. If you check the "no" box, do not go any further. If yes, put the date you expect the committee to file a termination report.

LINE 12. List any other political committee(s) the candidate has authorized to support his/her candidacy for election to federal office.

LINE 13. If Line 3 above is less than Line 10, please explain how the committee expects to obtain the additional funds.

LINE 14. If the committee has filed any debt settlement plans prior to this one, check yes, even if the committee has not received an acknowledgment of the plan from the Commission.

LINE 15. Should the committee have any residual funds after it has paid or settled all debts and obligations, state how they will be spent.

After completing the entire plan, the treasurer should sign and date the plan.

INSTRUCTIONS FOR DEBT SETTLEMENT PLAN, PART II

For each creditor in the plan with whom the committee is settling a debt, a separate PART II should be filled out. Enter the committee's full name and FEC identification number in the appropriate boxes. For Part II put in the page number as well as the number of pages included in the plan for this part.

Enter the creditor's name and address as reported on the debt schedules filed with the committee's reports of receipts and disbursements (FEC FORM 3 or 3X).

Date incurred. Enter the date the committee incurred the debt. If it is a debt that accumulated over a period of time, enter the time frame in which the debt was incurred.

Amount owed to creditor. Enter the amount owed to the creditor. If this is different than what the committee has disclosed on its reports include an explanation.

Amount offered in the settlement. Enter the amount the creditor is being offered to settle the debt.

Type of creditor. Check the appropriate box.

A. Terms of the initial extension of credit/nature of the debt. Describe the initial terms of the debt and give a brief description of the nature of the debt. Terms include any time requirements for payment such as monthly, 30 day, etc., as well as any extensions on the original terms and any penalties for failure to comply.

B. Efforts made by the committee to pay the debt. Briefly describe the committee's efforts to pay the debt in full.

C. Steps taken by the creditor to collect the debt. Briefly describe what steps the creditor took to collect the debt. Examples include: oral and written requests for payment, withholding delivery of additional goods or services until overdue debts are satisfied, late charges or penalties, referral to commercial debt collection service and/or litigation.

The Following Questions Should Be Answered by the Creditor

D. Was the effort made by the creditor to collect the debt similar to other debt collection efforts against nonpolitical debtors? If no, please explain why the committee was treated differently.

E. Are the terms of the debt settlement comparable to other settlements made by the creditor with nonpolitical debtors? If no, please describe how the terms are different from those offered to nonpolitical debtors.

THE COMMITTEE SHOULD EITHER HAVE THE CREDITOR SIGN AND DATE THE APPROPRIATE

SECTION, OR ATTACH A COPY OF THE SIGNED AGREEMENT THE COMMITTEE AND CREDITOR HAVE ENTERED INTO.

If the committee is released from debts pursuant to a Chapter 7 bankruptcy discharge, attach a copy of the bankruptcy court order so indicating and a list of all debts from which the committee is released. Do not include a separate Part II for any such debt.

INSTRUCTIONS FOR DEBT SETTLEMENT PLAN, PART III

Fill in the committee's full name and FEC identification number. For PART III put in the page number as well as the number of pages included in the plan for this part.

List Remaining Debts. List any debts and obligations that the committee owes that are not included in this plan. Fill out the appropriate information for each remaining creditor.

Amount expected to pay or offer. This should represent the amount that the committee expects to offer the creditor to settle the debt.

Does the committee have sufficient funds to pay the remaining amounts to be paid or offered? If the committee does not have sufficient funds to cover the total amount to be offered or paid to its remaining creditors, briefly explain how the funds will be obtained.