

FEDERAL ELECTION COMMISSION

INSTRUCTIONS FOR DEBT SETTLEMENT PLAN, PART I (FEC FORM 8)

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. 11 CFR 116.1(a).

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. For purposes of this form, *commercial vendor* means any persons providing goods or services to a candidate or political committee whose usual and normal business involves the sale, rental, lease or provision of those goods or services.

Debts and obligations that shall not be forgiven or settled for less than the amount due include repayment obli-

gations 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. For purposes of this form, *disputed debt* means an actual or potential debt or obligation owed by a political committee, including an obligation arising from a written contract, promise or agreement to make an expenditure, where there is a bona fide disagreement between the creditor and the political committee as to the existence or amount of the obligation owed by the political committee.

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, 1050 First Street, N.E., Washington, D.C. 20463.

Political committees are no longer required to file copies of this form in states and territories that have qualified for a filing waiver. Currently, only political committees based in Guam, Northern Mariana Islands or Puerto Rico must routinely file copies with the appropriate office in those territories. Other committees must file a copy of any portion of their report applicable to candidates who seek or sought election in those territories.

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 complete name and mailing address of your committee.

LINE 2. Enter the FEC Identification Number assigned to the committee.

LINE 3. Check the box if the committee qualifies as a "terminating committee" as defined in 11 CFR 116.1(a), plans to terminate, and does not intend to raise contributions or make expenditures except for the purpose of paying winding-down costs and retiring its debts. (Only a terminating committee may file a debt settlement plan.)

LINE 4. Enter the committee's cash on hand and the date.

LINE 5. Calculate the value of any of the committee's assets that can be liquidated, and enter the total amount on Line 5.

LINE 6. Add Lines 4 and 5.

LINE 7. Enter the year to date receipts for the calendar year.

INSTRUCTIONS FOR FEC FORM 8

LINE 8. Enter the year to date disbursements for the calendar year.

LINE 9. Enter the total amount of debts and obligations owed by the committee, including loans.

LINE 10. Enter the total number of creditors owed by the committee.

LINE 11. Enter the number of creditors that are in Part II of this plan.

LINE 12. Total the debts owed to the creditors in Part II of this plan, and enter the amount on this line.

LINE 13. Add the amounts to be paid to the creditors in Part II of this plan, and enter the amount on this line.

LINE 14. Check yes if the candidate has authorized any other political committee(s) to support his/her candidacy for election to federal office, and provide the name(s) and FEC Identification Number(s). (Use DSP Supplemental Page for additional entries.) Otherwise, check no.

LINE 15. Indicate whether the committee has sufficient funds to pay the total amount indicated in this plan. If no, explain how the committee expects to obtain the additional funds.

LINE 16. Indicate whether the committee will have residual funds after it has paid or settled all debts and obligations. If yes, state how they will be spent.

LINE 17. Indicate whether the committee has been released from any debts included in the plan pursuant to a discharge under 11 USC Chapter 7 by a Bankruptcy Court. If yes, attach a copy of the order(s) and a list of debts from which the committee has been released. Do not include a Part II for any such debt.

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

INSTRUCTIONS FOR DEBT SETTLEMENT PLAN, PART II (FEC FORM 8)

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. In the top right corner of Part II, put in the page number as well as the number of pages included in the plan for this part.

For each creditor in the plan, the committee must fill out Part II – Creditor Summary Information. The creditor must fill out Part II – Creditor Section.

PART II – CREDITOR SUMMARY INFORMATION (FILL OUT FOR EACH CREDITOR)

- A. Full name and mailing address of creditor.** 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, 3P or 3X).
- B. Date(s) 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.
- C. 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.
- D. Amount offered in the settlement.** Enter the amount the creditor is being offered to settle the debt.
- E. Type of creditor.** Check the appropriate box.
- F. Efforts made by the committee to pay the debt.** Briefly describe the committee's efforts to pay the debt in full.
- PART II – CREDITOR SECTION (TO BE FILLED OUT BY CREDITOR)**
- Full name and mailing address of creditor.** Enter the creditor's full name and address.
- A. List 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. Check the box to indicate whether the terms under which credit was extended to the committee similar to those under which the creditor extended credit to non-political debtors of similar risk and obligation size. Describe the terms of credit extension by the creditor to non-political debtors of similar risk and obligation size.
- B. Indicate whether the creditor agreed to provide the committee additional time to pay beyond the original due date(s).** Check the appropriate box. If yes, list the terms of any additional payment agreement(s).
- C. If the creditor is a commercial vendor:** Check the box to indicate whether its usual and normal business involves providing the same type(s) of goods or services that it provided to the committee.
- D. 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.
- E. If a creditor is commercial vendor:** Check the appropriate boxes for 1-3.
- F. Was the effort made by the creditor to collect the debt similar to other debt collection efforts against nonpolitical debtors in similar circumstances?** Check the appropriate box. If no, please explain why the committee was treated differently.
- G. Are the terms of the debt settlement comparable to other settlements made by the creditor with nonpolitical debtors in similar circumstances?** Check the appropriate box. If no, please describe how the terms are different from those offered to nonpolitical debtors.
- The creditor or a representative of the creditor should sign and date the plan, providing his/her title and contact information, including telephone number and e-mail address. The creditor may attach a copy of the signed agreement between the committee and the creditor.

INSTRUCTIONS FOR DEBT SETTLEMENT PLAN, PART III (FEC FORM 8)

Fill in the committee's full name and FEC identification number in the appropriate boxes. In the top right corner of Part III, put in the page number as well as the number of pages included in the plan for this part.

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

Full name and mailing address of creditor. 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, 3P or 3X).

- 1. Type of creditor.** Check the appropriate box.
- 2. Is this a disputed debt?** Indicate whether a debt is disputed by checking the box. If yes, explain the nature of dispute and status of any efforts to resolve it.
- 3. Amount owed to creditor.** List the amount of debt that is owed to the creditor.
- 4. 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? Check the appropriate box. 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. Reproduce this page to provide information about any additional remaining debts.

INSTRUCTIONS FOR DEBT SETTLEMENT PLAN (DSP) SUPPLEMENTAL PAGE (FEC FORM 8)

Use the DSP Supplemental Page to provide additional information for any entries on the form. Indicate the part number (I, II, or III) and line number of the entry which the supplemental information supports, as well as the page number of the plan where the entry appears.