Dealing with Debt

What should you do if a debt collector contacts you?
If a debt collector contacts you, do not ignore it! Stay on top of debt notices and return calls within 24 hours.

1) **Verify** the collector’s name/address, original creditor’s name/address, account number, amount owed, when payments were overdue, when the collector obtained the debt and the amount owed at that time.

2) **Request a copy** of the original debt paperwork and verify the terms of repayment.

3) **Ask** whether the debt’s statute of limitations (amount of time allowed to take legal action) has expired, and ask for a copy of the last bill.

4) **Be cautious.** Never give sensitive information like your full Social Security Number or bank account numbers over the phone or in emails.

5) **Keep records.** Save everything collectors send you and originals of anything you send them.

Solutions

If the debt is not legitimate, do not delay in disputing the debt!

1) **Send** the collector a letter disputing the debt *immediately.*

2) **Call** the credit bureau consumer line to report the dispute/mistake:

   - Experian— 888-397-3742  
   - Equifax— 888-548-7878  
   - Trans Union— 800-916-8800

3) **Communicate** with the collector.

If the debt is legitimate, do not despair! **Call your banker; you have options:**

- Try to **negotiate** a settlement or payment plan with the collector.

- Pay the debt in full and move on.

- If a debt collector sues you, respond to court documents and appear in court if required (*You may want an attorney to advise or represent you at the hearing.*).

Tips to remember: (1) Contact your bank to discuss your options, (2) Be cautious of debt repair companies, (3) Ask about a new payment plan/refinancing, (4) Call the creditor **before** you are late if you can’t make the payment, (5) Avoid online loans, payday loans, and credit cards, and (6) Verify all transactions, debt, and collectors to avoid scams.

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