

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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