

# Defeat Debt

Credit Advisors Foundation

Volume 48, Issue 10

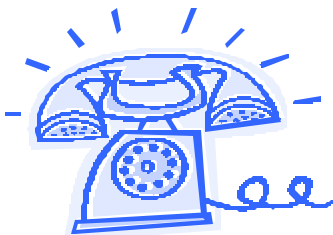
## Hello, Hello! Debt Collector Calling.

What would you do?

The phone rings and you answer. Uh-oh, the person calling says he is a debt collector attempting to collect a debt that you owe. You don't remember anything about this debt. The debt collector says that if you don't pay this debt, they will sue and send the police after you. Or ...

A debt collector calls you at 7 in the morning while you're trying to get ready for work and get the kids off to school. She says you have to talk to her now and if you don't she'll just keep calling until you do. Or ...

You get home from work and there is a message on your answering machine. The man says his name is Barry with Smith, Smith, Smith and Jones, and that he is calling in reference to his



*Hello, hello, debt collector calling!*

client Bigpay.com. He asks you to return his call and leaves his phone number. You've never heard of Barry or Bigpay.com.

Would you know what to do in these scenarios? Would you know what choices you have and if you should return the phone call?

You will probably rack your brain trying to figure out what these people are calling you about. If you do owe any past due debts, you may experience feelings of guilt or failure. You might even beat yourself up with self talk for being unable to pay the debt. Or you might feel some surprise as you remember an old debt from your college days 15 years ago. You may experience fear, not knowing what might happen next or what rights you may have as a debtor. If you are participating in a Debt Management Program (DMP) you may feel confused about how you could have forgotten to include a debt or why someone would be collecting a debt that was listed in your plan. So stop, take a breath and don't jump to any conclusions before you get the facts.

Nobody wants to be on the receiving end of debt collection activities,

particularly when the target of an abusive collector, so often we are reluctant to talk about what happens to us mentally and emotionally when we are in that situation. It would be typical during debt collection efforts that we may feel uncomfortable and vulnerable. Unfortunately, there are some debt collectors out there who will attempt to utilize those feelings to their advantage to get you to do what it is they want – pay the debt. There are, however, limits and guidelines with which debt collectors must abide. There is a line which they cannot cross, that at times may become blurred, and which some spurious debt collectors may actually completely ignore. Fear and lack of information are the classic indicators of abusive debt collection practices. They count on you not knowing your rights and the rules debt collectors must follow.

The biggest question for you, if you find yourself the focus of a debt collector's attentions, is: Do you really owe the debt? Maybe, maybe not.

A legitimate debt collector will supply you with

*(Continued on page 2)*

### Inside this issue:

<i>Hello, Hello! Debt Collector Calling.</i>	1
<i>Debt Collector Calling (continued)</i>	2–3
<i>Word Search</i>	3
<i>The Kitchen on a Dime</i>	4

### Board of Directors

- Sam Hohman
- Ronnetta Hughes
- Paul Koch
- Dave Phillips
- Travis Rousseau

### Officers

- Sam Hohman  
CEO; President
- Michaela Harper  
Program Director

# Debtor Collector Calling

(Continued from page 1)

information about the debt. Not necessarily because they like you or they are particularly nice – but because by law, they must. If they do not offer information about the debt, request it. Also request the origin of the debt. A growing portion of the debt collection industry includes the purchasing of old debts for pennies on the dollar, with the intent to collect as much as possible from those owing. All debts either sold to a debt collector or on consignment to the debt collector have a paper trail to the original source. If they say they do not know – do not pay. Tell the collector that you will be more than happy to explain to a judge in court that you defaulted on your debt, if indeed it is your debt, because there was no evidence of the debt existing or a source of the debt. Tell the collector that because you do not know who they are, if they cannot supply you with this information, that you have no evidence that this is a real debt.

Why? Because like so many other industries that revolve around financial matters there are collection scams. Some examples:

- ‘Collectors’ posing as police officers or lawyers to pressure you to pay
- A ‘collector’ claiming you will be arrested for not paying the debt
- A ‘collector’ attempting to collect a debt owed by someone with the same or similar name as you
- Harassing or threatening you until you pay the debt to simply get some relief. One Florida man convinced his



*Like so many other industries that revolve around financial matters there are collection scams.*

elderly neighbor that she was obligated to pay on his debts.

- Threatening to sue when attempting to collect a debt on which the statute of limitations has expired

A statute of limitations on old debt?

There is a statute of limitations on debt. There is a rapidly growing branch of the debt collection industry that focuses on old debt – some of it very old, 20 years or more. As previously mentioned, these old debts are purchased by the collection company for pennies on the dollar and they then attempt to collect the debt either in part or total.

What does the statute of limitations mean to you? Depending on the state in which you live, a collector’s legal

*It’s important to know your rights, be strong, and stick to your guns.*

remedies for old debt may be limited. However, you must use caution if talking to a debt collector about such a debt. Agreeing to make even a small payment on the debt in an effort to get the collector to leave you alone or simply agreeing that the debt is yours, may restart the clock in some states.

If you receive a call from a debt collector record the call or take notes. Tell the collector you are recording the call and ask for consent. If they refuse – ask why they don’t want it recorded. Will they be treating you in an unprofessional manner? If they ask why you are recording the call – tell them it is so you have a complete and accurate record of the conversation.

Get the caller’s full name, name of the company they work for, number where they can be reached, and the origin of the debt – If they refuse to give you any of this information tell them you are ending the call because they do not appear to be a legitimate and professional debt collection agency.

After ending the call, if you are participating in a DMP with Credit Advisors, immediately contact our

Client Care department at 888-942-9027. Tell the certified credit counselor what is going on. Give them the information you got from the caller (or were unable to obtain) about the debt. Let the credit counselor know if you believe you do not owe the debt and why. If, in fact you do owe the debt, ask about including it in your DMP.

Of course, it’s important to know your rights, be strong and stick to your guns. To make yourself more familiar with the basics of the Fair Debt Collection Practices Act let’s review our three phone calls mentioned earlier.

Call #1:  
A debt collector must accurately identify themselves to you on the phone (they cannot claim to be a police officer or an attorney, if they are not). Also note there is no debtor’s prison in our country for non-repayment of a debt.

Call #2:  
A debt collector may only contact you between 8 a.m. and 9 p.m. (in your time zone). They may not call you at work when they know your employer disapproves and they must stop contacting you altogether, when you make a request in writing.

Call # 3:  
This caller identified himself, his organization and his client – a dot.com company. So far, so good. Although you may not recognize any of this information, most of us can distinguish between a sales call and a potential collection call, and it is never wise to ignore an initial collection call. Return the call using caution. Ask questions to determine what it is regarding and remember the basics – if it was a collection call they must disclose the type of debt and the origination of the debt. As for our example, one of our CAF clients received such a phone call. When returning the call our client determined that the collector was attempting to collect the debt of someone with a very similar name. Our client then calmly yet firmly

(Continued on page 3)



\* Word Search \* Word Search \* Word Search \* Word Search \* Word Search\*

Our Defeat Debt article this month reviews debt collection, your rights and The Fair Debt Collection Practices Act. Take a shot at solving our search puzzle designed from words found in the article beginning on page one. Puzzle words this month for Word Search:

- ABUSE           LAWYER
- COLLECTOR   NAME
- COURT         OWE
- DEBT          POLICE
- DEFAULT      STATUTE
- FAIR          THEFT
- FEAR         TYPE
- GUIDELINES  VULNERABLE

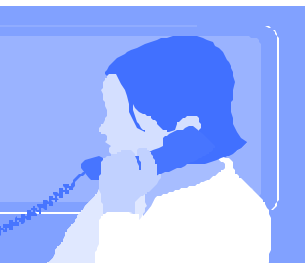
H	G	T	H	E	F	T	A	T	K
V	U	L	N	E	R	A	B	L	E
P	I	S	A	L	O	J	U	U	S
O	D	C	M	G	T	W	S	A	T
L	E	F	E	T	C	N	E	F	A
I	L	A	W	Y	E	R	R	E	T
C	I	I	W	P	L	A	X	D	U
E	N	R	Q	E	L	D	E	B	T
F	E	A	R	T	O	R	U	J	E
F	S	O	K	Z	C	O	U	R	T

## Debt Collector Calling

*(Continued from page 2)*

explained that he was not the person the collector was looking for – as he knew of at least 2 other gentlemen in his city with the same name, had never lived at the address the collector listed, did not conduct business on the internet, nor did he have internet access to do so. The collector, continuing to exhibit very professional behavior made some notations to the account, deleted our client’s phone number, and thanked him for returning the call to clarify the situation. Be aware – often in cases of identity theft, the first notification or hint of a problem a victim may receive will be from a collector. Our client, then, made sure CAF was notified of the calls. He said, “I may not know a whole lot about the internet but through my DMP I do know my rights and how a collector should deal with me. This guy was a professional, it

wasn’t a case of identity theft – just identity confusion, so it was pretty easy to handle.”



Sponsored by:



**Seminar Location:**  
1850 South 72<sup>nd</sup> St.  
Omaha, NE

**FREE!**

## Credit Basics Seminar

**Thursday, October 20, 2005**  
11:00am & 1:00pm central time

Please **RSVP** by October 18<sup>th</sup>

402-501-8182 or  
[emily@creditadvisors.org](mailto:emily@creditadvisors.org)

**FREE!**



**Out of area? Toll Free Conference**  
Call: 1-866-285-7780  
enter code 4425358

## Credit Advisors Foundation

1818 South 72nd Street  
Omaha, NE 68124

Phone: 888-942-9027

Fax: 402-393-4141

E-mail: [clientcare@creditadvisors.org](mailto:clientcare@creditadvisors.org)

We're on the Web!!

[www.creditadvisors.org](http://www.creditadvisors.org)

### Get out of debt with no regret!



## The Kitchen on a Dime

The recipe this month in The Kitchen on a Dime can be made from scratch with ingredients from the store or make use of leftovers and end of season vegetables from your garden. Either way it's a simple and delicious meal for your family.

### Southern Hamburger/Mashed Potato Pie

#### *Ingredients:*

4or 5 medium russet or baking potatoes, peeled, chopped, cooked and mashed (or 4 – 5 cups leftover mashed potatoes)

1 lb hamburger

1 pkg. bulk sausage – like Jimmy Dean, reduced fat

½ cup chopped onion

2 cloves garlic, minced

2 cans 14-15 ounce cut green beans, drained (or 3—4 cups end of season green beans from your garden)

1 cans 14 – 15 ounce diced tomatoes, un-drained

½ cup of your favorite or leftover bar-b-que sauce

1 cup ketchup

1 cup shredded cheddar cheese

Paprika, optional

#### *Preparation:*

Brown hamburger and sausage in a large skillet, stirring often to break up meat. Add chopped onion and minced garlic. Cook just until vegetables are softened. Add drained green beans, un-drained tomatoes, bar-b-que sauce, and ketchup. Season to taste with salt and pepper. Simmer for 15 minutes.

Preheat oven to 350°.



Pour hamburger mixture into a 9 x 13 casserole dish. Top with mashed potatoes. Bake for 35 minutes. Top with shredded cheddar cheese for last 10 minutes. Sprinkle lightly with paprika for color.

Makes 8 (\$1.03) servings.