

Debt Collection: Know What Collectors Can and Can't Do

Debt Collectors - Who They Are and What They Do:

- ❑ Debt collectors are people who collect debts owed to others. Lawyers and collection agencies are common examples of debt collectors.
- ❑ A debt collector can contact you if you, or a family member, owes a debt to another entity. If you are contacted by a debt collector, it may be wise to communicate with them, even if you believe you do not owe a debt, to see why the collector is contacting you and what you should do.
- ❑ After a debt collector contacts you once, he/she has five days to provide you with a written document detailing the amount of money you owe and to whom, and the steps you should take if you believe you do not owe this debt.

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Things Debt Collectors CANNOT Do:

- ❑ A debt collector is not allowed to harass or oppress you or anyone they contact in your name. This includes threatening to use physical violence, using obscenity, and continuously calling you or a related individual.
- ❑ A debt collector is not allowed to issue false statements or tell you lies in order to retrieve your debt. This includes: saying he/she is a governmental representative, stating a false value for the amount you owe, telling you the documents you received were legal in nature, and telling you that you committed a crime.
- ❑ A debt collector cannot tell you that you will be taken to jail if you do not pay the money you owe.
- ❑ A debt collector cannot give you a false company name.
- ❑ A debt collector cannot take unjust actions against you in order to collect your debt. This includes claiming fees or interest are owed when they are not and depositing a check with a future date earlier than written.

What You Can Do:

- ❑ Make sure to take notes when speaking to a debt collector over the phone, and include each collector's name and organization.

continued

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- ☒ If you would like a debt collector to stop contacting you, you can write a letter to him/her saying you do not wish to be contacted further. Make a copy of your letter, and send the original by certified mail so you can purchase a “return receipt.” This will let you know when the debt collector receives your letter. After it has been received, the collector may only contact you to say that he/she will not contact you again, or to tell you that a specific action is being taken. This does not prevent the debt collector from receiving the money that you owe, but it does stop the communication.
- ☒ If you do not think you owe the debt that the collector is claiming, you can write him/her a letter saying so, or write a letter to ask for a verification of your debt.
- ☒ If you do owe the debt and begin to repay it, you can control which debt your money is applied to (if you owe more than one debt).
- ☒ If you believe that the debt collector has done any of the things listed above that are prohibited, you can sue the debt collector within one year from when he/she broke the law.

What to Do if You Are Contacted About the Debts of a Deceased Relative:

- ☒ Generally, you will not be responsible for paying a deceased relative’s debts unless you are the spouse; and even then, you may not be responsible, depending on which state you live in.
- ☒ If you are contacted by a debt collector, you should give him/her details on how to contact the relative’s personal representative whose job it is to figure out the decedent’s affairs.

**You should NOT give your personal information to the collector; that is not necessary information for him/her and if requested, the collector may actually be trying to scam you to steal money.
- ☒ If a collector is contacting you about a relative’s debt and you would like it to stop, you can take the same steps as listed above by sending the collector a letter.
- ☒ If you ARE the one that is legally responsible for your relative’s debt, you can negotiate with the lenders to see if they will decrease the amount that your relative owes. If you are able to secure a lower payment, make sure the lender sends you an agreement in writing.

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Things that the Debt Collectors CANNOT Claim:

The following items are not included in a deceased individual’s estate, and may be able to be excluded from collectors’ territory:

- ☒ Life insurance policies
- ☒ Annuities (** life insurance and annuities are within the realm of debt collectors if the beneficiary is the deceased individual’s estate.)
- ☒ Brokerage accounts
- ☒ Retirement plans (in many cases)