1. **Investigate the collector.** You may receive calls from scammers pretending to be debt collectors. Do not make any payments unless you are sure that the collector is legitimate. Investigate whether the person calling you is legitimate by asking for the caller’s name, company, phone number, and business address. Simply asking these questions may discourage a phony debt collector from contacting you again.

Also check to see if your state licenses debt collectors and if the company that is contacting you is licensed. If your state does not license debt collectors, check the registry for a neighboring state. A few states also provide licensing information to the Nationwide Multistate Licensing System at [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org) [1]. That website will thus provide a few more states where the debt collector might be licensed.

2. **The “stop contact” or “cease” letter.** The simplest strategy to stop collection harassment is to write the collector a “stop contact” letter, also called a “cease” letter. Then the collector can only acknowledge the letter and notify you about legal steps the collector may take. This a federal right, however, and only applies to collection agencies hired by the creditor and does not apply to creditors collecting their own debts. But even creditors collecting their own debts will often honor such requests. Below is a sample letter, also found ready for editing at [www.nclc.org/survivingdebt](http://www.nclc.org/survivingdebt) [2]:

   [Your name]
   [Your return address]
   [Date]
   [Debt collector name]
   [Debt collector address]
   Re: [Account number for the debt, if you have it]

   Dear [Debt collector name],

   I am responding to your contact about an alleged debt you are attempting to collect. You contacted me by [phone/mail], on [date]. You identified the alleged debt as [any information they gave you about the debt].

   Please stop all communication with me and with this address about this alleged debt.

   Thank you for your cooperation.

   Sincerely,

   [Your name]

   **Important:** Even if debt collector stops contacting you because of the letter, you will still owe the debt.

   Keep a copy of the letter and send the original by mail, return receipt requested. If a debt collector still continues to contact you, send another letter and once again keep a copy. Let them know that you are aware that they are violating the federal law by continuing to contact you. Keep a careful record of any letters and phone calls you receive after sending the letter, which will be helpful if you sue the debt collector.

   You do not need a lawyer to send a cease letter. However, if a cease letter does not stop collection calls, a letter from a lawyer usually will. Collection agencies must stop contacting a consumer known to be represented by a lawyer, as long as the lawyer responds to the collection agency’s inquiries. Even though this requirement does not apply to creditors collecting their own debts, these creditors usually honor such requests from a lawyer. A collector’s lawyer is bound by legal ethics not to contact you if you are represented by a lawyer.

3. **Stopping some types of collection contacts.** Instead of stopping all types of collection communication, you may only want to stop some types of contacts and allow others.

   If you are getting collection calls on your cell phone, these calls are probably being made by an autodialer. You can stop...
receiving such calls by clearly telling a live operator:

“Please stop calling me at this number.”

Both collection agencies and original creditors collecting their own debts have to stop calling your cell phone with an autodialer if you ask them to do so.

Whether you are being contacted on a cell phone or a landline, you can stop calls by collection agencies at inconvenient times or places by telling a live operator that the contacts are inconvenient. For example, you could say:

“I am not allowed to receive this type of call at work. Please stop calling me at work.”

“Please don’t call me before noon. Morning calls are not convenient.”

“Please don’t call me at [phone number]. This location is not convenient.”

Alternatively, you can tell a collector exactly when and how you would like to be contacted. For example:

“Please only contact me at [phone number] after [time]. Calls at other times and numbers are not convenient.”

You do not have to put these requests in writing. However, if you would like to do so, you can change the last line of the letter in #2 to tell the collector what type of communications are inconvenient or specify when and how you would like to be contacted.

4. The “exempt income” letter. If your only sources of income are state or federal government benefits, your income may be “exempt” or protected from collection. (See Chapter 21 [3] for more information about whether your income is exempt.) If you inform the collector that government benefits are your only source of income, the collector may voluntarily stop contacting you about the alleged debt.

You can inform collectors over the phone if all of your income is exempt, and you can also send a letter like this one, also found ready for editing at www.nclc.org/survivingdebt [2]:

[Your name]
[Your return address]

[Date]

[Debt collector name]

[Debt collector address]

Re: [Account number for the debt, if you have it]

Dear [Debt collector name],

I am responding to your contact about an alleged debt you are attempting to collect. You contacted me by [phone/mail], on [date]. You identified the alleged debt as [any information they gave you about the debt].

I am living on _______________/month which comes from [name of government benefit(s)]. I believe that all of my income is exempt from collection and creditors may not garnish these payments.

Sincerely,

[Your name]

You may want to ask in the letter or a separate letter that the debt collector stop contacting you—see #2, above, for a stop
contact or cease letter. Keep a copy of any letters that you send. It is best to send the letter by mail, return receipt requested.

5. The “verification” letter. Often it is not even clear what debt a collector is calling you about, and in that case you should never pay the collector, at least not until you obtain more information. Federal law gives you the right to obtain a verification of a debt from a third-party collector if you send a letter within thirty days of receiving the first written notice from the third-party collector. However, if you have questions, you can still send a verification letter even after the thirty-day period has passed. The collector may still respond.

This sample letter outlines some of the different types of information you might request about the debt—you typically do not need to ask for all this information. The letter is also found ready for editing at www.nclc.org/survivingdebt [2]:

[Your name]

[Your return address]

[Date]

[Debt collector name]

[Debt collector address]

Re: [Account number for the debt, if you have it]

Dear [Debt collector name]:

I am responding to your contact about an alleged debt you are trying to collect. You contacted me by [phone/mail], on [date] and identified the alleged debt as [any information they gave you about the debt].

Please supply the information below so that I can be fully informed about the alleged debt:

Why you think I owe the debt and to whom I owe it, including:

? The name and address of the creditor to whom the alleged debt is currently owed.
? The name and address of the original creditor and any other names used.
? A copy of the original contract or other agreement.
? The name of any other person that is or was required to pay the alleged debt.

The amount and age of the debt, including:

? Provide a copy of the last billing statement sent to me by the original creditor.
? State the amount of the alleged debt when you obtained it.
? State the date when you obtained the alleged debt.
? Provide an itemized list of any alleged interest, fees, or charges since the last billing statement from the original creditor.
? Provide a copy of any agreement expressly authorizing such interest, fees, or additional charges.
? Provide an itemization showing any payments since the last billing statement from the original creditor.
? State when the creditor claims this debt became due and when it became delinquent.
? Identify the date of the last payment made on this account.
? State when you think the statute of limitations expires for this debt, and how you determined that.

Details about your authority to collect this debt, including:

? Provide the number of any license to collect debt in [insert name of the state where you live] and the name of the issuing agency.
? Provide the number of any license to collect debt in the state where you are located and the name of the issuing agency.
Please treat this debt as disputed until you provide the information requested.

Thank you for your cooperation.

Sincerely,

[Your name]

Keep a copy of any letters that you send. It is best to send the letter by mail, return receipt requested.

6. The “dispute” letter. If you do not think the debt is yours, you should send the collector a dispute letter. Collectors make a lot of mistakes, and disputing the debt may resolve the matter. The letter also stops collection contacts until they send you more information verifying the debt. Here is a sample letter, also found ready for editing at [www.nclc.org/survivingdebt](http://www.nclc.org/survivingdebt) [2].

   [Your name]

   [Date]

   [Debt collector name]

   [Debt collector address]

   Re: [Account number for the debt, if you have it]

   Dear [Debt collector name],

   I am responding to your contact about collecting an alleged debt. You contacted me by [phone/mail], on [date] and identified the alleged debt as [any information they gave you about the debt]. I do not have any responsibility for the debt you’re trying to collect.

   Record that I dispute having any obligation for this debt. If you stop your collection of this debt, and forward or return it to another company, please indicate to them that it is disputed. If you report it to a credit bureau (or have already done so), also report that the debt is disputed.

   Thank you for your cooperation.

   Sincerely,

   [Your name]

   Keep a copy of any letters that you send. It is best to send the letter by mail, return receipt requested.

   You may want to ask the debt collector to stop contacting you in the same letter. Alternatively, you may wish to combine a dispute with a request for verification of certain information. See #2 and #5, above.

7. Negotiating work-out agreements. Too often consumers respond to debt harassment by agreeing to make payments to the collector. You should not pay even a little on a credit card, medical, or other unsecured debt if doing so means that you become delinquent on high priority debts like your rent or payments for a car that you need to get to work or have insufficient resources for essential family expenses like food.

   Be wary of making a partial payment on old debts. You cannot be sued on a debt that is a certain number of years old (depending on your state). If you make even a small payment on an old bill, courts may treat this as starting the time period over again, and you can then be sued on the debt only because you made that payment.

   Beware of debt settlement companies that promise to negotiate with the creditor on your behalf. These companies typically take large fees and often produce far less than promised. If you do decide to negotiate a payment plan for a reduced amount of the debt, you may get a better deal if you try to work with the creditor and not the debt collector.
Drive a hard bargain on any payment plan you agree to—ask them to reduce the debt. Be careful not to agree to pay more than you can afford. If you’re uncomfortable negotiating on your own, ask a social worker, trusted friend, or relative to help you. Get any deal in writing. Also negotiate to get the creditor to help you with your credit report.

Determine, after reviewing Chapter 21 [3], below, if you are judgment-proof. Being judgment proof means that if the creditor sues you, that creditor will not be able to seize your income or property because they are all exempt under your state law. If you are judgment-proof, offer the creditor little or nothing and just say that it is not worth pursuing you since you are judgment-proof. Also tell them to stop contacting you. See letters at items #2 and #4, above.

8. Complaining to the Consumer Financial Protection Bureau. Send a complaint about a debt collector to the Consumer Financial Protection Bureau at www.consumerfinance.gov/complaint [4]. The agency will forward your complaint to the debt collector and work to get you a response, usually within fifteen days. You can also complain to the consumer protection division of your state attorney general’s office. Some states offer mediation services for consumer disputes.

9. Bankruptcy. Filing your initial papers for personal bankruptcy instantly triggers the “automatic stay” that stops all collection activity against you. As a rule, a bankruptcy filing does not make sense where your only concern is debt harassment since you can stop the harassment with a cease contact letter (see #2, above). Save the bankruptcy option for when you have serious financial problems. For this reason, be wary of an attorney offering to file bankruptcy for you if the only problem is debt harassment.

Source: National Consumer Law Center, Surviving Debt [50th NCLC Anniversary Edition], updated at www.nclc.org/library

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Links