You will lose any lawsuit if you do not respond to the lawsuit properly. If you do respond properly within time deadlines, and raise reasonable defenses, you have a good chance of winning or of the creditor dropping the lawsuit. The stronger your defenses, the better your chances.

One predictor of your chances of winning is whether you are sued by the original creditor or by a “debt buyer.” Debt buyers purchase thousands of debts at a time from a creditor, and have little information about each account when they sue. Most people don’t respond to debt buyer lawsuits—which can be filed by the thousand—so the debt buyer often wins by “default.” But debt buyers are paper tigers. They may fold if you raise good defenses and counterclaims, force them to produce evidence that they own the debt, and force them to produce the credit contract and account statements.

Collectors also pay little attention when they file lawsuits to collect on consumer debt. Their paperwork is often sloppy or incomplete. Pointing out these errors can throw the lawsuit out. Whether brought by the debt buyer or original creditor, trying a case may cost the collector more than they could ever recover and just by contesting the case you can lead them to dropping the lawsuit.

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