A defense is a reason you do not owe the money being sought. A counterclaim is a reason why the person suing owes you money. If your counterclaims are large enough, they wipe out everything you owe and even allow you to recover money from the collector. These claims often are available even if your claim relates not to the collector’s conduct, but that of the seller or original creditor.

**Sale of the goods or services.** Many debts arise from the purchase of goods or services. Anything unfair, deceptive, or defective in the sale may lead to a counterclaim (other than when purchased with a credit card). The same is true if warranties are not honored or if goods or services are not delivered. Counterclaims may exist even if the car or other goods are sold “as is.”

**Credit terms.** Anything that you find to be outrageous, unfair, or deceptive about the credit terms may form the basis of a valid claim. High-pressure tactics should also be challenged. In addition several laws, including the federal Truth in Lending Act, state installment sales laws, and other state credit legislation, create requirements as to what the creditor must tell you about a loan. These laws are technical in nature and you may need the assistance of a lawyer.

**Debt collection tactics.** Chapter 2 [1] discusses what types of debt collection practices are illegal. Illegal collection practices often provide excellent counterclaims.

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

**Source URL:** https://library.nclc.org/sd/0406

**Links**

[1] https://library.nclc.org/nclc/link/SD.02