

Debt collectors

What to do:

A person you serve has rights when their debts have been sold to debt collectors. They may not know that they have rights.

Use this tool with a person you serve to review their rights under the Fair Debt Collections Practices Act when their debt has been sold to a debt collector. When companies decide they no longer want to try to collect debts that are delinquent and defaulted, they may assign or sell those debts to third party debt collectors.

What to say:

"Are debt collectors contacting you? Debt collection agencies specialize in collecting debts. The Fair Debt Collections Practices Act provides you with rights when a debt collector is trying to get you to pay a debt. This tool summarizes some of your key rights in debt collection and will help you:

- Take actions to verify whether the claim is valid
- Know how to dispute the claim if you do not owe the debt
- Know what to do next if you do owe the debt

Knowing about your rights can help you figure out if a debt collector is violating your rights. A debt collector cannot:

- Call repeatedly to harass, abuse you or use obscene language
- Threaten you to take action they can't or don't really plan to take
- Publish your name for not paying a debt or lie to you

If debt collectors harass you, they may be breaking the law. For help finding legal assistance visit lawhelp.org."

To access a dynamic and fillable version of this tool, visit: www.consumerfinance.gov/practitioner-resources/your-money-your-goals/companion-guides/



If a debt collector contacts you, don't ignore it!



Be sure.

Make sure you recognize the debt. Does this debt collector have the right to collect it?

Be cautious. Don't give the debt collector sensitive info like your full Social Security or bank account numbers. No matter what they say, you don't have to give it to them.

Keep records. Save everything debt collectors send you and the original copies of anything you send them. Write down dates, times, and notes for every call. These will help if you have a dispute or go to court.

Reply to court documents. If you don't respond, the court will usually assume you agree with what the creditor says, and issue a money judgment against you. You may want an attorney to advise or represent you at the hearing.



Ask questions.

Ask for information. If you're not sure about the debt or the amount, send a letter (or use the form to the right) asking for:

- the collector's name and address
- the original creditor's name and address
- the account number and amount owed
- documentation proving you're required to pay
- a copy of the last bill

Find out if the statute of limitations on the debt expired (when the collector can no longer sue you for the debt).

Dates to ask for:

- when the account became delinquent
- when the collector obtained the debt and what the amount was then



Resolve.

If the claim is legitimate, don't despair! At least now you know what you're dealing with. You still have options:

- Try to settle with the debt collector for a smaller amount that will fully resolve the account. (You can do this yourself by contacting the collector.)
- OR, negotiate a payment plan that will give you more time to pay down your debt.
- OR, pay the debt in full and move on.

If the claim is not legitimate, don't delay! Send the debt collector a letter (or use the form below) disputing the claim immediately. You may lose your ability to dispute the claim if you wait until after a court issues judgment.



My name is _____

My address is _____

I am writing about _____
account number

Check all that apply:

I want to ask: _____

Send me the dates the debt was incurred, and the name and address of the original creditor.

I want to dispute this debt for the following reasons (check all that apply):

This is not my debt.

The amount is wrong.

I do not think that you are the right person to pay.

I already paid this debt in full or settled it.

Other: _____

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The tools may ask you to provide sensitive information. The CFPB does not collect this information and is not responsible for how your information may be used if you provide it to others. The CFPB recommends that you do not include names, account numbers, or other sensitive information and that users follow their organization's policies regarding personal information.

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