



Take Charge America Offers Tips for Dealing with Debt Collectors

Nonprofit credit counseling agency outlines do's and don'ts when collectors come calling

Phoenix – (May 9, 2018) – With American consumer debt exceeding \$13 trillion, it's no surprise the Consumer Financial Protection Bureau reports that one in three consumers have been contacted by collection agencies. Indeed, debt is on the rise across the board – from medical bills and credit cards to student loans and mortgages – affecting even the most financially prudent consumers.

“While it’s a common occurrence, most people feel shame or guilt when they’re contacted by debt collectors,” said Mike Sullivan, a personal finance consultant with Take Charge America, a [national nonprofit credit counseling and debt management agency](#). “It’s often so distressing that people avoid the calls and the situation in general, which can make it much worse.”

Sullivan offers seven do's and don'ts for dealing with debt collectors:

1. **Don't Chit Chat:** If a collection agency calls, you might feel forced to admit the debt is yours, promise future payment, or provide sensitive financial information, but this info may be used to collect the debt if the agency secures a judgment against you. Get off the phone and ask for a letter detailing the debt.
2. **Do Validate:** Collectors must provide written notice of the debt within five days of first contact, including the amount you owe, name of the creditor and what action to take if there's a discrepancy. Check it against your own records to ensure the debt is yours. If you suspect identity theft, contact the Federal Trade Commission at 877-ID-THEFT.
3. **Don't Pay in "Good Faith:"** Collectors may suggest a “good faith” payment to safeguard your credit or keep you out of legal trouble, but even a \$5 payment will reset the clock on the statute of limitations. Validate the debt before paying a dime.
4. **Do Keep a Log:** Keep a record of written correspondence and phone conversations, including the date and time of collectors' calls, the employee's name and notes about the conversation. Likewise, save any voicemails. The log may come in handy if the debt is disputed or the collector breaks any laws.
5. **Do Dispute:** If you don't believe the debt is yours, challenge it in writing, and use certified mail for all correspondence. If you dispute within 30 days, the collector cannot contact you for payment until it's resolved.
6. **Do Get Help:** If your debt has been validated, but you can't afford payment, consider a [free credit counseling session](#) to develop a budget and action plan, determine which options you have to eliminate the debt, and gain access to educational resources.

7. **Do Understand Your Rights.** The Fair Debt Collection Practices Act protects you from predatory collection tactics. If a debt collector crosses the line, file a complaint with the Federal Trade Commission and your state's governing office.

For information on debt management solutions, call (888) 822-9193 or visit www.takechargeamerica.org.

About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit www.takechargeamerica.org or call (888) 822-9193.

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