

Dealing With Creditors: The Do's and Dont's

- **DO let creditors know your circumstances – it really does make a difference.**
- **DO get special arrangements in writing, if possible. This could protect you later on.**
- **DO keep records of your creditor contacts: letters, notices, cancelled checks, copies of money orders and receipts. Keep a phone log with the date and time of call, name of caller, and what was said.**
- **DO open your mail. Creditors may be telling you something new and important about the status of your account.**
- **DO ask creditors if they are willing to waive or reduce interest or fees. You don't know until you ask.**
- **DO be aware of the consequences when settling a debt for less than is owed. The balance may be listed on your credit report as a "bad debt" and may also be considered as income for tax purposes.**
- **DON'T make promises you can't keep – if you promise a payment, be sure to send the agreed upon amount on the due date. Contact your creditor if you are unable to make your payment.**
- **DON'T ignore a summons or notice of intent to garnish. There will be consequences, and you may still be able to negotiate a payment arrangement with the creditor.**
- **DON'T send payments without an appropriate account number.**
- **DON'T send post-dated checks.**

Talk to your financial counselor if you are experiencing difficulty working with your creditors.

For more information regarding your rights in debt collection, refer to the Fair Debt Collection Practices Act. Visit www.ftc.gov (Federal Trade Commission) for a brochure or ask your financial counselor.