

Dealing with Creditors – Tips for Success

➤ **COMMUNICATE**

- Let creditors know your circumstances – it really can make a difference.
- *Open your mail. Creditors may be telling you something new and important about the status of your account.
- Respond promptly to a summons or notice of intent to garnish. You may still be able to negotiate a payment arrangement with the creditor.

➤ **BE ORGANIZED**

- Save records of your creditor contacts: letters, notices, cancelled checks, copies of money orders and receipts. Find a drawer or a box and create one storage spot for all.
- Keep a phone log on the date and time of calls, name of caller, and what was said.

➤ **PAYMENT PLAN TIPS**

- Ask creditors if they are willing to waive or reduce interest or fees.
- Ask that special arrangements are put in writing and sent to you.
- Be sure your account number is provided on each payment sent.
- If you promise a payment, send the agreed upon amount on the due date or contact your creditor if you are unable to make your agreed upon payment.
- Make payments five to ten days before due to allow for mailing and processing time.
- Understand the pros and cons of accepting an offer to settle a debt for less than the balance owed. Depending on the amount, the unpaid portion may or may not be taxable by the IRS, so speak with a tax advisor regarding your tax filing status.

➤ **RESOURCES**

Federal Trade Commission www.ftc.gov or call (877) 382-4357 has a variety of consumer protection topics including “Debt Collection FAQs: A Guide for Consumers”

Legal Services Corporation Law Help www.lawhelp.org or call (202) 295-1500 for referrals to local legal aid and public interest law offices, legal rights and more

National Association of Attorneys General www.naag.org or call (202) 326-6000 to locate your state’s Attorney General’s Office where you may file a complaint or learn more

CONQUER YOUR DEBT – YOU CAN DO IT