

Step 2

People don't like hearing no, you may hear that as we go through this process, don't let that discourage you, keep fighting. Now let's wrap up the collections.

You need to allow them the full 30 days to reply. Be sure to save the returned receipt from the mailing of the letter and all information you receive back from the collection company.

Review the proof closely because many times they will send you everything but what you asked for. Once you have received the verification you have a few choices.

If the documentation came back with your original signature and supporting documentation;

1. You can contact the collection company and try to work out a settlement for less than full balance but remember the rules from last time they still apply.

KEY THINGS TO REMEMBER!

- NEVER Admit the debt is yours on the phone or in writing.
- NEVER Make a full payment without a letter on company letterhead including:
 - ✓ The account number
 - ✓ The original amount of the collection
 - ✓ The terms "Paid in Full" clearly stated.
 - ✓ The terms "Will correct the information with the repositories; Experian, Equifax, Trans Union" clearly stated.
- NEVER Make a partial payment without the terms in writing.
- NEVER Make a good will payment.

If the documentation came back without what you requested; You now have more leverage in the negotiation. You can;

1. Contact the collection company and let them know that it is

deficient but that you would be willing to settle the debt to be done with it. (Provided it is for less than the full amount and/or they will provide a letter that states it was reported in error to the repositories.) Rules above still apply.

2. Contact the repositories and let them know that you are disputing the account and provide your letter with the return receipt. (Be careful with this!) Once an account is in dispute it can be difficult to remove. Plan on two months to get it resolved or to get the dispute removed. Important: currently home lenders will not allow loans to be closed with an open active dispute, so keep that in mind when using this option.
3. You can file a lawsuit, but you will need the help of an attorney and it will take much longer than six months.

If they do not respond;

1. Your first option should be to call them and ask if they have received the letter. (remembers the rules above)
2. You can resend the request with a copy of the returned receipt of the first letter; expect to wait another 30 days.
3. Contact the repositories and let them know that you are disputing the account and provide your letter with the return receipt. (Be careful with this!) Once an account is in dispute it can be difficult to remove. Plan on two months to get it resolved or to get the dispute removed. Important: currently home lenders will not allow loans to be closed with an open active dispute, so keep that in mind when using this option.

Tips For Negotiating With a Collection Company...

- Don't let them know that you are going into a loan transaction; they will be less likely to work with you.
- Start the negotiating toward the end of the month and hold out until just before the end of the month. They have a quota to meet and they get paid on the amount they collect monthly.
- Remind them that the Fair Credit Reporting Act they are not required to report negative information to the credit repositories.
- Always start the negotiations with the full removal of the account from your repository file.
- Always get a signed release for any arrangement you make and hold on to the documentation.
- Don't Split the difference. If you offer a low amount to settle a debt and the collection company proposes that you split the difference between what you offered and the full payment, Don't agree to it. Treat the new Split the difference number as the new high and offer something between that number and your offer.
- Don't be intimidated, If they think you can pay \$50 they will insist that \$50 is the lowest amount they can accept. Don't buy it. It is ok to hang up and call back closer to the end of the month. Say something like I need to check on another debt and see if they are willing to accept less I would like to wrap this all up at one time.
- Be Proactive, everyone has something happen that and set them back financially, ignoring the problem will not make it go away. Stand up and face it head on, it will not be as painful as you think it will be and then you can stop worrying about it.
- Always get the letter in writing (like indicated above) before you make any payment. Remember do not acknowledge the debt as being yours; they will try to get you to throughout the conversation, just tell them that you just want this resolved. Never make a good faith payment it is a trick to get you to admit it is your debt. One payment should settle the debt.
- The collection company will purchase the debt for pennies on the dollar they will accept less and less for full payment the older the debt is.

You can always send a 2nd request letter ...

2nd Request

Collection Company Name
Address

Re: Original Creditor
Account number Listed on the credit report
Amount

Collection Manager

(it is always better to address the letter to an individual Try getting the managers name over the phone or look on LinkedIn)

I have recently accessed my credit report and noticed that you have reported a collection account and I don't recognize it. Please accept this as my formal request for (Name of Collection Company) to produce absolute validation of the debt listed under [title 15 of the US Code 1692 \(g\) Section 809\(b\) of the Fair Debt Collections Practices Act.](#)

- All Records pertaining to actual debt to prove that the account belongs to me, including my signature on the original account application.
- A statement of all charges to the account, adding up to the amount that you are trying to collect, including fees, penalties and interest, separated out in total.
- Date of first delinquency with the original creditor that led to the collection.
- Date that you purchased the debt with proof that you have the right to collect on behalf of (the original creditor)
- Date of last payment/activity if any on the account.
- Full name and address of your direct contact at (the original creditor)

(Name of collection agency) has 30 days to respond with absolute proof as required by law. If (Name of Collection Agency) has already reported the item to the three major repositories and cannot produce the above request absolute proof, then I am requesting that your company immediately remove any negative reporting from my credit history immediately, reporting an unverifiable debt on my repository file would be a violation of the Fair Credit Reporting Act.

I am also going to request that you cease from making any further phone calls to my Telephone number because I use this phone business. I am Requesting that all future communications from your company is by U.S. Mail only.

I look forward to your prompt response.

Sincerely

This must be mailed Certified mail with a return receipt and keep a copy for your records

EBay Bonus

I started selling things on eBay in 2002, Things that I was going to throughout but I just couldn't I knew they were worth something. I sold a broken laptop for \$100, an old toner cartridge for \$50 a old boat for \$750 left over things that I did not have any use for I was turning into cash.

I want you to think about things you have not touched in over 1 year.

That is what you sell, if you have something of sentimental value stashed away bring it out and display it. Then sell the thing you had to move in order to do that. Americans have too much stuff, sell yours now even if you think it has no value list it and see.

If your items are too big to ship then try Craig's list. But remember that I have many friends that make a living by buying on Craig's list and selling on eBay there are a lot more buyers there.

One Note SHIPPING!!!! Don't make the mistake that I did, always make the buyer pay the actual Shipping Charges and \$5.00 for handling. Also consider boxing and packaging costs when selling items. If you cannot sell something on Craig's list or eBay then donate it and get the Tax deduction.