

Debt Collection Script #1

You believe the debt to be invalid

Collector: "Hello, is Bill Debtor there?" (Or is this Bill's wife)?

You: "Who is calling please?" (Do not let the use of your first name throw you off guard, always confirm who you are speaking with. Under the FDCPA, collectors must identify themselves and their company)

Collector: "This is Mr. Collector from ABC collections, the collection agency representing Way Past Due on your outstanding balance of \$3,700. I need to know if you are able to take care of this past due bill at this time.

You: "Hold on while I turn on my tape recorder." (After turning on recorder ask the caller to repeat his or her name, company and reason for calling.) Then say, "I do not believe I owe this debt. Send me the information on this debt according to the Fair Debt Collection Practices Act so that I may review it."

Expect the collector to use questions or statements in an attempt to get you to admit the debt is yours. Do not answer these questions, stick to the answer outlined above and insist on the collector following the FDCPA by sending you the proper information - stay focused

Their script tells them to ignore your response and press on with asking you a bunch of questions. By refusing to take the "bait" you frustrate their efforts because your answer is not on their script. At this point, many collectors are unsure of what to say or do next so they resort to anger. Remain calm and be sure your tape recorder is on!

NOTE: *Once you've verbally disputed a debt, there is only one legitimate question that you need to answer:*

Collector: "Please verify your address?"

You: Go ahead and provide your correct address.

DO NOT answer any additional questions! If the collector insists on asking questions, terminate the call. Expect the collector to call right back. Turn on your recorder and answer the phone. Don't say anything except, "I am recording this call and, since I disputed this debt during your last call, this call from you violates the FDCPA and forces me to report your violation to my State Attorney General. Then, terminate the call again.

Debt Collection Script #2

You believe the debt might be valid but you're unsure.

Collector: "Hello, is Bill Debtor there?" (Or is this Bill's wife)?

You: "Who is calling please?" (Do not let the use of your first name throw you off guard, always confirm who you are speaking with. Under the FDCPA, collectors must identify themselves and their company)

Collector: "This is Mr. Collector from ABC collections, the collection agency representing Way Past Due on your outstanding balance of \$3,700. I need to know if you are able to take care of this past due bill at this time."

You: "Hold on while I turn on my tape recorder."

Take your time and THINK before saying anything. Is it possible the debt has expired? See statute of limitations (SoL) If the SoL has expired (or you're not sure) revert to scenario #1.

If the SoL has not expired, then ask,

You: "Are you collecting on behalf of a creditor, your employer or yourself?" Until the collector answers this question DO NOT answer any other questions.

IMPORTANT: If the debt is new, the collector is probably working for the creditor. If the debt is more than 1-2 years old it's a good bet the debt was sold and this collector (or his company) purchased it.

If the collector owns the debt and you do NOT wish to pay the debt state: (be sure your tape recorder is on beforehand).

You: "It is my policy to never deal with debt collectors who are not representing the creditor. Give me your address so that I may send you a cease and desist letter in accordance with the FDCPA."

Be prepared for any and all of the questions below and consider each question carefully before answering. Remember; you do NOT have to answer any questions. However, if you choose to answer questions, see the "questions you can answer" section below for which questions you should answer and which ones you should weigh heavily before giving a stranger your information.

If the collector owns the debt and you still wish to pay it, then you must decide on how much to pay. Just remember Junk Debt Buyers purchase old debts for pennies on the dollar.

Questions you can answer:

Do I have your address right at (street), (city) and (state) and (zip code)?

Is this (or what is) your daytime phone _____?

Note: After answering this question, inform the caller that any future calls between (hours) and on (days) are inconvenient.

Where do you work?

What is the address and phone number of your employer.

Note: Collectors are allowed to call and verify employment BUT that is all! They are not allowed to discuss your information, nor are they entitled to any information about your income or any other personal information.

Questions you do NOT have to answer:

- Are you paid weekly or bi-weekly?
- How much is your take-home pay?
- Is your spouse working?
- If so where, how paid, amount, etc.)
- Do you have other sources of income: (child support, part-time work, in home day care and so forth)?
- Do you rent or own?
- How much per month? Is it current?
- How much is your car payment? Is it current?
- What are the make, model, and year of your car(s)?
- Where do you bank? (checking and savings, name of bank)
- Do you have any bank loans? How much do you owe? Are they current?
- Have you ever borrowed money from (parents, relatives, and friends) in the past? If so, how long ago? How much? Did you pay it back?

If you answered any of the above questions then expect the collector to put you on hold while he figures out the best suggestion for you to pay off the debt. Typically they will come back with, "If I could show you a way to pay this debt off, would you be willing to work with me?"

Unless they suggest a payment plan that you can afford DO NOT agree to anything! They'll suggest borrowing from others, refinancing your home or car loan, or putting the debt on another credit card. Using these options means robbing Peter to pay Paul and, more than likely, will just push you deeper in debt.

Consider your answer carefully!! Counter offer with a payment agreement of your own (only suggest what you can truly afford) and ask about credit reporting information. You want to keep it off your credit reports so make this part of your payment agreement.

Collectors are trained to dun (collect or ask for payment) in the following priority...

- Balance in full;
- Settlement (in no more than two payments);
- Payments over 3 or more months, usually not to exceed 6 months;
- Good faith payment while you ask others for loan (parents, friends, bank etc.)

...and since they want the full amount as quick as possible, they will refuse just about anything you offer and try to force you to agree to their terms.

Unless you're extremely good at negotiating, never negotiate terms on the phone, you'll lose every time. Offer your terms once (maybe twice) and if they refuse to work with you, end the conversation!

WARNING! Be absolutely certain the Statute of Limitations (SoL) has not expired before agreeing to anything, but especially before making a token payment! In many states, a token payment or a written agreement to pay resets the SoL clock!

Collection agencies, bill collectors and junk debt buyers are trained to get payments in the following priority:

1. Auto Pay: involves withdrawals from your bank accounts via post-dated checks, automatic electronic withdrawals or similar methods.
2. Priority Mail
3. Certified Mail

NOTE: Although collectors will insist on you paying by their preferred method, there is no law compelling you to pay by any of these methods! Pay by any method that does not provide information about your bank account to the collector. The best method is to pay by bank draft and send it via official mail.

WARNING! Never pay by post-dated check or an automatic withdrawal process. I've seen it happen too many times where the check is cashed early or more funds are withdrawn than authorized! This causes even more problems with returned checks and overdrawn charges!

Once they have a payment agreement, collectors usually end the call by saying:

"Please repeat the arrangement to be sure I've documented it correctly."

"What guarantee can you give me that you'll send the payment?"

"For what reason would you not send the payment?"

Hopefully you have been taking good notes or, even better, tape recording the call (inform the caller at the beginning of the call that you are taping the call) so you can also keep accurate records of what actions were agreed upon.

WARNING! Do NOT send any money until you have a signed payment agreement letter in your possession!