



Collection Agency Credit Repair Kit

Won't it be nice to go from collectors nagging you to creditors begging you to borrow!!



- How to Delete Collections & Fix Bad Credit
- Debt Negotiation Secrets
- Use Your Government Rights to Fight Bill Collectors
- The Right Way to Talk to a Bill Collector
- How to Legally Escape Debt Without Paying a Dime

Knowledge

Financial
Awareness

Understanding

My Story

Every time our family needed a new car, my father would sit down with the classified newspaper and telephone dozens of private sellers. I would go with him to various homes for extensive “tire-kicking.” Inevitably, we would pass by a used-auto dealer:

“Dad, look” I would say, “that place has lots of used cars, let’s just go there!” “Son,” he’d tell me,

“these guys have been selling cars all their lives. They are professionals. When I buy from the newspaper, “at least it’s a fair fight.”



Dealing with aggressive debt collection agents is an unfortunate reality most Americans must face at one time or another. **Entering negotiations with a skilled debt collector is never a fair fight!**

Collection agencies know what works, often employing shady or illegal tactics on you, the uneducated and vulnerable debtor. I encourage you to take control and **get the upper hand.**

You can get that upper hand by studying this book. I guarantee you will discover proven and effective tools, techniques and strategies which you can use immediately against unscrupulous debt collectors.

By investing less than one hour of your time, you can learn to effectively negotiate which will save you

thousands of dollars. More importantly, **by becoming an effective negotiator you will preserve your sanity!**

I ask that you carefully apply these tested methods and watch as your negotiations succeed.

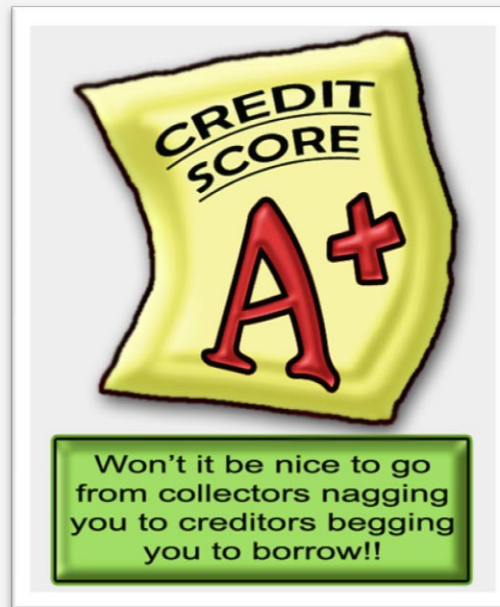
Finally! You will find yourself on the path to recovery, a brighter future and improved financial security.

Getting Started

It is important to keep in mind your current financial situation took some time to get into and it will certainly take time, effort and patience to pull yourself out. In this book we try and share many tips and tricks great credit repair lawyers use.

These tactics are designed with the end in mind: to go from where you are to a sparkling clean credit report.

It does *not* cost you any more to negotiate your debts *and* fix your credit reports and score at the same time. In fact, it will end up costing you SIGNIFICANTLY less in the long-term, paying lower fees on better terms for the things we all finance. Having good credit has gone from important to CRUCIAL in today's economy. The following pages will detail everything you need to do, step-by-step, so let's get started!



What is a Collection? What Happened to my Account? What Happens Next?

Simply put, a **collection**, or charge-off is an old debt the original creditor has given up trying to collect. At the point your debt becomes a "charge-off," the original owner gets a tax deduction on the amount you owe. They also recoup a small percentage of your loan amount when they sell your debt to a specialist company.



Once this debt has been sold, the way it is reported on your credit record changes from bad (late bill) to terrible (collection). Charge-offs are one of the primary reasons people are denied all sorts of loans. **Just one charge-off on your credit report may prevent you from being approved for a mortgage!**

Lenders classify debt in two categories: *Secured* and *unsecured* loans.

Secured loans have something valuable, such as land attached to them.

Unsecured loans, as the name implies, have only your promise that you'll pay.

This is an important point.

Since the bill is already substantially late, it stands to reason **the collector could expect you not to repay the loan at all.** As we'll discuss more in the negotiation section, this expectation can greatly benefit you. As I've already stated, we want to remove these negative marks, which seriously damage our credit scores, not just get the creditor off our back.

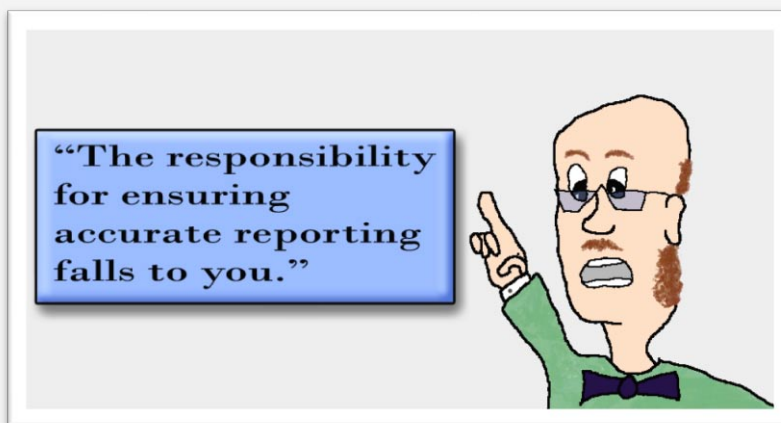
Unsecured Loans

- Medical Bills
- Credit Cards
- Department Store Credit Cards
- Personal Loans
- Student Loans
- Bounced Checks

If you have any bills that are currently going unpaid then you will need to get in the habit of [checking your credit report](#) regularly. Now is a great time to begin.

Part of the peril involved in having collections is the transient nature of their ownership. A collection can change hands several times, each company reporting the same debt as a separate collection on your report. **Each additional listing pushing your score lower than it should be!**

It is unfair! Nonetheless, the responsibility for ensuring and enforcing accurate reporting often falls to you. By continually reviewing your reports, you'll be able to protect yourself against this slipshod army of irresponsible bill collectors.



Rules & Regulations – How to Turn the Tables Against a Bill Collector

Not so long ago you could get thrown in jail for not paying bills! Luckily, these times are behind us. Despite all the legitimate reasons you can have for not paying bills, bill collectors seem to have a bad habit of assuming the worst about you.

Just as the used car salesman has honed his skills and techniques, debt collectors are quite the same. **They are master manipulators, often attempting to use guilt, harassment and abuse – in short – whatever methods are necessary to squeeze money from your bank account.**



The Fair Debt Collection Practices Act, or FDCPA, is a wonderful compilation of laws designed to eliminate or make illegal practically all of the deceptive, distasteful and dishonest collection agency tactics.

In most cases, the FDCPA makes being harassed for debt a thing of the past. If not for this Federal statute, debt collectors could call you at all hours of the day, at work and at home, and speak about your late bills to your boss, relatives or anyone you might NOT want to know!

Sometimes less reputable collection agencies will employ outlawed tactics, assuming you are not aware of the rules. When you know, for example, agencies can only contact you legally from 8am – 9pm in your time zone, you can document any such abuses and take control of your situation, usually by reporting it to the Attorney General, Better Business Bureau and other regulatory agencies.

Other banned activities include screaming, threatening, or the threat of violence (!), use of profanity, miss-representation of their identity or...threatening you with imprisonment!

IMPORTANT: Letting collectors know you're keeping track of their calls, taking names and notes will prevent most abuses and preserves valuable evidence should your case require court intervention!

The creative debt collectors of the past employed all sorts of deceptions in the pursuit of extracting your money. Since the FDCPA, all collectors are required by law to identify themselves immediately, regardless of how



they're contacting you, usually by phone or in writing.

Occasionally debt collectors will miss-represent themselves attempting to extract information. Most importantly they try to secretly obtain your phone numbers as well as the numbers of your friends, relatives, and co-workers. If any suspicious person contacts you asking for contact information, be extremely wary!

Regardless of what you might be told, you are not required to give your phone number to anyone, especially a debt collector. Further, excessive phone calls are considered a violation of the Fair Debt Collection Practices Act.

In summary (you'll hear this a lot) document all contact with All collectors as carefully as you possibly can. Ideally, use a legal pad or notebook, filling in each line for every call. It will help you when the collector knows you're documenting his/her call.

Time:	In / Out date:
Company:	
Agent / ID# :	
Supervisor's Name & ID # :	
Account # re:	
Notes:	

Communicating with Debt Collectors –How to Stop the Insanity!

Consider this: If there's one dishonest bill collector in the world, how will you know you're not talking to him? Accepting this possibility, our advice is to limit (as much as possible) ALL COMMUNICATIONS with collectors to written correspondence.

In other words, avoid telephone conversations with debt collectors. In most cases, written communication is better. Here's why –

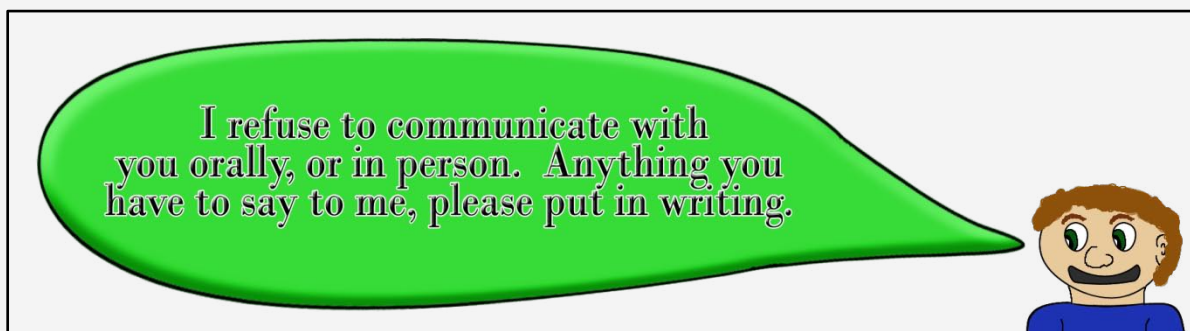
Reasons to Use Written Correspondence

1. In writing, debt collectors are far less likely to try to deceive or abuse you since you'd have evidence of any such maneuvers.
2. Additionally, written correspondence is something you can do at your pace, on your schedule.



This used to only happen when your check was cashed, back in the days before the FDCPA. Now, all you have to do is tell them!

The operative phrase to use is:

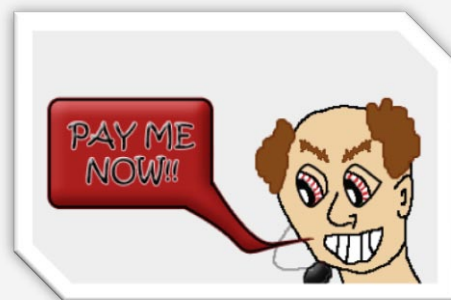


It's advisable to follow this action with a written backup. In the event you must speak to them on the telephone, we recommend you keep your finger on the END button on your phone. There is no sense in speaking to someone who's being rude to you.

Debt collectors know most people don't like confrontation. They use this "tool" whenever they can. The "best" debt collectors are the ones who extract the most money from you. It's OK – it is human nature to avoid confrontation. Thus, we tend to want to pay to "get rid of" the most annoying ones first, right!?

That is another reason to avoid having conversations with bill collectors. They just make you feel rotten and worthless.

Again, remember, it's up to you to dictate when and whether you speak to these guys!



Do you now see why written correspondence is preferable!?

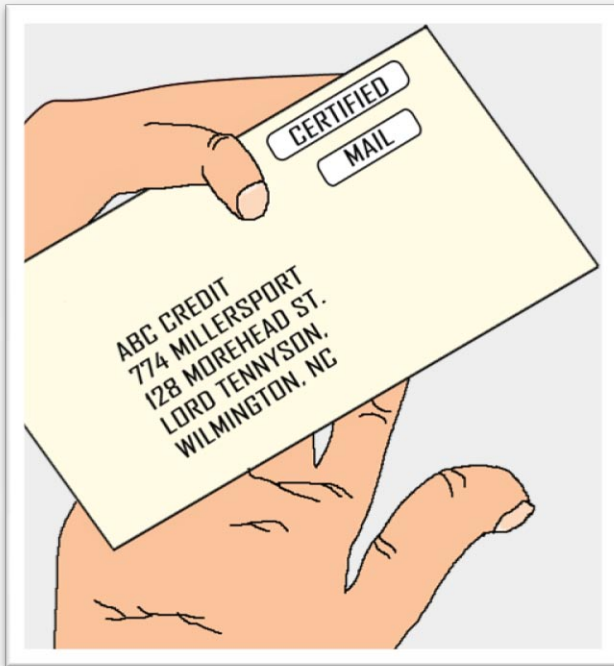
A Few Handy Tips About Written Communication

As with the telephone, be extremely wary of any mail you get which ambiguously asks for your phone number. Bill collectors must disclose in the letter that "this

information will be used to collect a debt,” however, often this is cleverly concealed in the fine print.

Once you’ve reached negotiations, you’ll be mailing and receiving letters from the debt collection agency.

SAVE A COPY OF EVERYTHING.



Your letters should be sent by certified mail, with return receipt. (Registered mail is ok, too) Keeping meticulous records will make or break this entire procedure. All letters and envelopes with dates, receipts of payment, notes and anything even remotely connected to the cause of eliminating your collections should be faithfully stored in a shoebox somewhere safe.

If you’re unwilling to do this, we recommend you let a [good credit attorney](#) handle these procedures for you. 😊 – Otherwise, let’s plunge ahead!

Get Ready – Let’s Start Negotiating!

Finally, we’ve reached that point where you’ll apply everything you’ve learned up to now as you begin negotiating with your debt collectors.

Most importantly, remember to stay calm and patient through this process.

Debt collectors will be doing their best to trip you up, frustrate you and find a way to make you do what is best for them. Despite how they’ll try and make you feel, you have what they want and, therefore all the cards are in your hand.



REMEMBER YOUR GOAL IS TO RELIEVE YOUR DEBT AND REMOVE THE NEGATIVE ITEMS FROM YOUR CREDIT REPORT.

Once the check’s mailed, your negotiation power is ZERO.

That’s why you **must** include credit report correction as part of your negotiation.

Of course, make sure you're happy, not hasty making this deal. Ok, let's get to it!

1. Negotiations – Dispute Questionable Credit Items

You would be shocked to see how many people's financial situations were turned around with this simple, yet incredibly effective tool. Way before you get to negotiating actual dollar amounts with these guys, dispute the accuracy of your debt(s). You're going to need a copy of your credit report if you don't already have it, actually you'll need three: one copy from each of the three reporting agencies. Equifax, Experian, and Transunion.

Invest just a few bucks and [get all three by clicking here](#)

Each listing of a debt must be individually challenged. **Remember, several companies may be reporting a single collection on your report!**

The general idea is that you must challenge each and every questionable negative mark on your report. Quite often this process will remove several inaccurate negative items without any further work.

Cut down on the repetitive paper work by using a form letter to verify the debts listed on your reports. **When your request is received, the owner of the debt is notified and asked to verify your delinquent account. When they fail to do so in a timely manner (30 days), the negative collection mark is removed from your credit report!**

It pays to dispute any questionable collection accounts. Many [law firms](#) employ this technique with great success. Even if it produces no big surprises, it's a sure way to remove harmful duplicate entries on your credit reports.

2. Negotiations – Do I Really Owe You That Money?

Your second step, assuming the debts have been verified, is to check the statute of limitations in your state.

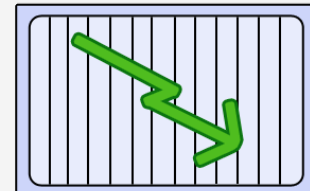
If you have any older collections, typically 3+ years old, they may have exceeded your state's statute of limitations. A creditor will often keep your



debt listed in case you pay, rather than remove it at the proper time. **If the proper time has elapsed, simply contest the validity of the debt, giving the statute of limitations for the reason and you're home free!**

Once you've gotten to this point, the debts remaining on your report may look like they're there to stay. Resist the urge (if you're now able) to write a check and pay off the debt. When you initiate any such activity, your collection status will be automatically updated. Updating an old charge-off on your credit report automatically re-calculates your score. Older debts have less impact on your score – therefore paying an old debt off often results in your credit score dropping!

CREDIT SCORE



3. **Negotiations – How to Make a Cheap yet Irresistible Offer**

As a starting point for your negotiation, it's best to learn exactly how these collection agencies obtain your debts.

In the industry, these companies also known as JDB's, or *Junk-Debt Buyers*, buy your debt for pennies on the dollar (this terminology should give you a big hint on what they expect you to pay!).

These companies buy many millions of dollars in debt for a small fraction of their original net worth.

At a maximum of just 0.07c per dollar, these agencies only have to recoup a small percentage of your debt to see a profit. **Accounts which are older are sold (and re-sold) for far less.** Some experts recommend you begin your negotiations at around 20-25% of your original debt.

Original Debt	= \$5,000
Collection Agency Paid	= \$ 350
Your Settlement Offer	= \$1,000

Collection Agency Profit	= \$ 650
Your Savings	= \$4,000

Using the example in the box, if your original debt was \$5,000, the collection agency paid a MAXIMUM of \$350 for your debt, even less, if it's an older charge-off. Offering 20%, or \$1,000 is a very reasonable starting point, as it gives a profit of \$650 (not to mention it saves you \$4,000!).

Typically, good negotiators will always reject any first offer, holding out to get a better feel for the situation.

It's good to start this process knowing in advance what you are willing or able to pay (in maximum) and what result you want to achieve.

Remember! Complete removal of the charge-off and/or collection marks from your credit reports is the ideal scenario, along with payment for a reduced percentage of your debt.

Depending on your personal style you can do this entirely through written correspondence, or, if you have experience in sales or negotiation already, more quickly over the phone. Keep in mind you **MUST** write out the terms of the deal either way.



REGARDLESS of your situation...it will help you reduce the total amount you must pay if the debt collector believes you are still experiencing financial hardship. (Using the threat of bankruptcy is an effective method for pushing through a deal for less money than the collector expects to take.) As you negotiate, remember that the collector may be that one dishonest one out there! He or she may advise you that removing the charge-off from your report could require the full payment, that their manager won't take less or that it's against company policy.

If they is insistent in spewing such nonsense, thank them for their time, advise them that's your only offer and hang up. No matter what your situation, **you deserve better than to allow a dishonest collector insult your intelligence!**

In the situation above, we suggest you mail or fax a copy of your offer, so they know what you're willing to do. Often just waiting a week or two will be enough to get them to change their mind. If you've asked them not to call you, be sure to provide an alternate method of getting in touch.



Resist the urge to nudge things along! Looking in any way anxious to settle or otherwise close your debts with a collector is a signal for them to demand full payment. If the collector suspects you're attempting to make a large purchase (like a home, for instance) **you can forget about any discounts!**

As a side note, you should know that it is illegal for a bill collector to threaten you with legal action unless they actually plan to carry out the threat.

Collectors are quick to assume a friendly role, advising you that a sheriff is coming to take your things, or you to jail, or have your wages garnished.

In all but the rarest cases, this cannot happen!

All this talk is designed to create a sense of urgency, or emergency – making you want to accept their terms. These types of idle threats are one of the primary reasons we don't recommend phone negotiations!

Have we convinced you about the power of using written communication yet?

When you've got multiple parties calling you, and all are applying similar pressure, relief at any cost seems more and more like a good idea. With patience a reasonable settlement can be made in virtually EVERY case of charged-off debt!



4. Negotiations – Know thy enemy – The Finer Points for Advanced Negotiations

Bill collecting is typically a commission-pay job. By leaving an offer on the table that meets your terms you will be enticing the collector to “go ahead” and take what you're offering.

Again, make sure your agreement is binding to at least one or two supervisors in addition to your agent. Every last detail must be in writing (see, we told you we'd say this a lot).

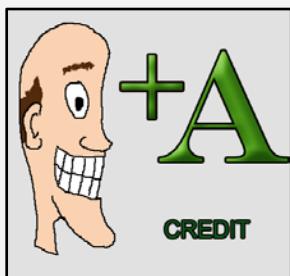
Since you're being diligent and noting everything with each bill collectors' call, be watchful for a secondary company to call you about your debt. This happens frequently with old debts – after an unsuccessful time period, a second or third company will take a turn at getting you to pay.

When this happens, it means your debt has been re-sold, somewhere in the .01-.02c range. Shift your offers with this new company downward. Using the original \$5,000 example collection amount, if the debt was sold at .02c per dollar, **they paid just \$100 (.02 x 5000) for your debt.**

Whoa!

That was quite a bit of information to absorb. Don't worry about remembering every last detail.

5. Wrap Up: Good Job – Now Go Get ‘Em!



You can always refer back to us if you're forgotten anything. Just keep in mind the overall plan to eliminate your charge-offs AND to improve your credit score simultaneously.

As you progress, expect minor setbacks and delays along the way. This is part of the process! Eventually, through a combination of phone calls and letters you will strike a deal.

Assuming your record-keeping and diligence enforcing the deal you will succeed!

Sadly, I must stereotype debt collectors with this stern warning: assume your contact is a compulsive liar, prone to fits of amnesia, with multiple personality disorder! Agents have **one** priority: to collect your funds (often, by any means necessary). Expect to issue multiple reminders!!

These procedures can be done by anyone! However, if your situation becomes too difficult or time consuming do not succumb to a bankruptcy! A bankruptcy is the ultimate black mark on your credit and should be considered as a last resort **ONLY**.

Before this option, consider hiring a [credit lawyer](#) to handle the procedures we've covered in this booklet. They're surprisingly affordable and extremely effective.

Either way, take action today! A good credit score, the attendant financial security and well-being that comes with facing and solving these nagging problems is truly priceless.

--The End --