

SETTLING COLLECTION DEBTS, THE PARKER WAY

You have to have Hand! George Constanza

BE A PROBLEM-CAN'T EMPHASIS THE POWER OF THAT ENOUGH.

How do you have hand in settling a collection debt.

Two-part approach.

First Part:

1. Have a calendar set up from the date of service with your date of 10-15 days from the date of service of the complaint.
2. Contact the debt collector/law firm to try to work out a deal. They will quickly try to get information from you that only helps them collect the debt. Stay politely on track and quickly assert your inability desire to settle the debt and for how much. Maintain constantly that this is a settlement offer and in no way should you admit to owing the debt or why you could not pay and went into default. They take notes that are biased and will use them against you down the road. Don't admit anything. But make your offer, **give them a time limit to continue negotiations** and that you will file an Answer by a certain date. You have a little hand.

Parameters to start off. STICK TO THEM AND LEARN TO WALK AWAY TO SHOW THE OTHER SIDE YOU ARE NOT A VICTIM-ALL ABOUT THE VICTIM MENTALITY:

Things to touch upon in negotiations: All your debts and other lawsuits can show them you don't have much to pay, and your eventual settlement will be lower. Remember, you are dealing

with a person who is reading from a script and whose authority is limited.

Keep pushing your offer and parameters. Cite your debts and job loss or divorce or problems in your life but don't touch upon liability. And don't take an offer where you have to admit you owe the debt. Generally, settlement discussions are protected from coming into court, but they will find a way. So, keep saying and reminding the person on the other end of the line This is a Settlement Offer, These are Settlement Discussions. I am trying to Settle this debt for peace of mind, and I am not admitting fault. **You can tape your discussion, just let the other side know.** Always assume they will change facts or lie about what you admitted in their notes so act accordingly. State rules.

Second Part:

The whole approach of a debt collector is to default you and reap signification rewards.

Some collectors will engage you and purposely delay things make wild promises and not follow through all to get you over the magic 21 days and then default you. So, stick to a timeline. It's more hand.

Be a Problem: More Hand.

Know your rights, hint that the collector broke specific rules under the FDCPA if there is room that they did. You are becoming somebody different to them and not be messed with and maybe to be worried about by doing what you said you would. Believe it or not, most collection attorneys are scared of debtors with a

voice or that stick up for themselves. Most collection attorneys are overworked and will do whatever it takes to get a problem of their desk. **Be a Problem.**

Stick to your timeline and file an Answer and your counter affidavit on the date you promised and serve on them that day. When you Answer they lose the default power over you and if it is a small debt, they won't make money having to go to court. This becomes really about the comfort zone of the attorney on the file and not Jones v credit card company. In the end it is all human. So, you will get a better deal out of an overworked attorney that can avoid going to Podunk county by settling with you. Just give them a violation of deficit in their case to give the attorney something to hang his settlement hat on.

Then what-The Settlement Amount.

If you are able, settle for a cash/lumpsum amount. It will generally be lower as it gets money into the collector pocket without spending any more money to get the money,

Don't have the lump sum. Settle for an amount with payments. The longer term, the better for you especially with inflation. Remember also to always make the payments as any payment plan is in a Consent Order with a default mechanism. You miss one payment; you owe the original amount with interest etc. and have no right to object to anything.

Tips for a Consent Order:

1. Have it say all collection efforts stop as long as payments are timely.

2. Grace period, but short one, it's a bad habit to rely upon- we all do it.
3. Have the case be dismissed without prejudice but to become with prejudice after the last payment is made.
4. Have the Consent Order say the collector will file the Dismissal paperwork with the Court within ten days of your last payment.
5. Provide a good address or payment portal in the Consent Order.
6. Pocket Judgements are best.
7. Maybe have the Debt Collector send you a payment book or reminder-you can ask.
8. Date of Payments to start a month after the Order is signed. That's about six weeks when everything is done and agreed to. TIP: Now you delay getting the thing back or argue about legitimate things to further delay payment start and you can save up. They did it to you! The greater the problem, the more they will give you. They have easier fish to fry. BE A PROBLEM.

Always make an offer with at least two things asked for:

The amount you want with something you don't want really or can't get. Generally, credit card (original creditors) can't knock off the debt from the credit report as debt buyers. But if you know that and ask to settle for \$1400 plus credit removal, then they just give you the \$1400, you won that, and the other side feels they won something by not giving you everything. **That's a human tip.**

It's all about Parameters.

Here are the three stages of Settlement:

THE ANSWER STATGE: Again, be argumentative and a problem.

Negotiate for up to ten or fifteen days and remind the collector that you will file your answer on a drop-dead date. Most attorneys do their work at the last minute so keep reminding the collector of the drop-dead date and as it gets closer, the attorney will loosen up to the date. There are always fires burning. It's not Show Friends, it's Show Business. These people are not your friends-they want your money. BE A PROBLEM. **Make that answer a good one pointing out obvious faults and problems in the lawsuit-there always are. The attorney won't like it, but he will want you out of his hair.**

COUNTER AFFIDAVIT- USE ASS BE AN ASS.

ASKING THEM FOR MONEY-THEY WONT NOTICE AN MCL
600.2145 appears to say, they owe you on any counter claim they don't object to. You could ask for enough to cover the whole debt, they claim you owe them.

File the Answer, serve the collector and tell them, in ten days I file a Counter Claim. You will get red flagged in their system as a problem and will get an attorney on your file. Better for you.

Then, negotiate again up to the date of the counter claim. You got more hand, this is turning around. Any FDCPA violations? You have Hand.

Still not settling, wait for the Pre-trial where they have to spend more money, and ask for discovery from the Court. The case will settle generally, way before then. Its not a lock but there are many human factors-BE A PROBLEM.