

10 Secrets of Debt Collectors

Written by Lucky
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If you are struggling with debt problems, you may be dealing with debt collectors calling you constantly. Many of these items are very informative and helpful. Nonetheless, no decision regarding your finances when you are struggling with debt should be made without consulting with a competent attorney, such as [Mr. Jesrani](#), first.

Top 10 list by [Reader's Digest Magazine](#) :

1. They teach us that all debtors are compulsive liars, and no matter what you tell us, we're supposed to keep pushing. So we ask, Can you borrow the money from friends and family? Can you take money out of your 401k? Can you pay it with another credit card? All horrible ideas that would make a good financial planner cringe.

2. Like us or not, we're a vital part of keeping the cash flow going in this country. In 2010, more than 10,000 collection agencies collected over \$8 billion. Can you imagine the impact on the economy -- and on all the companies that were owed money -- if that \$8 billion hadn't been collected?

3. We've heard every tale of woe. We may listen and act sympathetic, but in our notes, all those excuses are summed up as HLS, for "hard-luck story." You're wasting our time, and time is money.

4. The more money I get out of you, the bigger my bonus will be. Every month, we watch top performers get bonus checks of \$10,000 or more.

5. We also have an astounding power to wipe out thousands of dollars of your debt. Most accounts have a one-time settlement rate that's preapproved (typically 15 to 35 percent on credit card debt).

6. A lot of agencies buy debt for pennies on the dollar, so always start your settlement offer low, maybe 25 cents on the dollar. Say something like "I have \$200 that I can apply toward this debt. Will you accept that as payment in full?" If I say no, ask what I'm willing to accept as a settlement and negotiate from there.

7. Sometimes when we're negotiating, I'll say I have to get a manager involved, and then I'll have another collector be the "bad cop."
The theory is that just having another voice on the line will open up your wallet.

8. Always check whether the debt has passed the statute of limitations in your state (see a list at [creditcards.com](#)). If it has, we can't sue you or put it in your credit report. However, if you make any kind of payment or even acknowledge the debt, that usually starts the clock over.

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9. If you decide to settle, I am trained to “take your application.” In a bored voice, I ask for your cell number, your spouse’s work phone, and so on, as if I’m filling out a form. But it’s just a way to get the information we need to find you in case the settlement falls through.

10. We love calling you at work because of the extra pressure it puts on you. If you specifically ask us not to, by law we have to stop, but we’re not going to tell you that.