

Debt Consolidation Care

Take Creditors and collection agents to small claims court



Learn how to sue for \$1000 or more

Take Creditors and Collection Agents to Small Claims Court

By Debt Consolidation Care's Community Members

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Acknowledgements

Take Creditors and Collection Agents to Small Claims Court is written by debtconsolidationcare.com community members.

These are the people who were hurt the most by illegal actions of collection agencies and creditors and they decided to fight back and won many cases against the creditors and collection agencies in the small claims court.

Now they have collaborated to write a book on how you can be benefited with their experience and make you aware of your rights and guide you how to enforce the current consumer credit protection laws.

We feel very proud having such wonderful and enthusiastic members in our community. This really gives us huge encouragement to serve our community in a better way. We are very thankful to them.

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About debtconsolidationcare.com

Debt Consolidation Care is a premium quality website rendering its members with debt consolidation solutions along with free financial analysis and counseling. The site offers resources and guidance on debt related issues. Experienced [credit counseling](#) is arranged to analyze the best solution for every debtor, keeping in mind their present financial status. The article section in the site offers you a wide range of informative articles. Important synopsis on American State Laws & their proceedings are also helpful.

“[Do It Yourself](#)” guides the debtors to plan a budget, assess financial limits & consolidate debts, without the help of a debt consolidation company. A step by step guidance on bad credit repairing is also available in the site. Creditors’ database comprises of creditor’s information across all the States of America. There is also a varied range of sample letters written to the creditors for your requirements. A smart Reduction Calculator calculates the total debt amount & savings you are likely to have if you opt for debt consolidation. The forum is a joint for open discussions and useful advice on any debt related issues. It is also a place to chill out with mutual conversations between friends. The customers are handled with immense care and are rendered with prompt services and useful solutions.

The pivotal vision of debt consolidation care is to build a [debt free community](#) in the very near future.

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Our objective

Our prime objective is to help people in avoiding any kind of harassment they face as a result of debt. We also had a tough time with the debt collectors and we want to share our knowledge with the readers

The creditors and the collection agencies often follow wrong and immoral methods in doing their business and dealing with the people whom they lend money. It is not unusual for them to lie and say just anything to get you to pay.

Sometimes people are harassed by the credit bureaus also when they prepare incorrect credit reports. As a result a person's reputation is badly affected in the credit market.

The creditors and the collection agencies follow many illegal methods when they deal with the consumers. They could do this because many of the credit consumers are innocent. Very few of them know about their rights. Some may not know that they can take the creditors to the court. Others might not know under what circumstances they can do so.

Our objectives can be listed in this way:

- Make the credit consumers aware of their rights.
- Guide them to file a claim against their creditors, the collection agencies or the credit bureaus in Small Claims Court.

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Why do you need to sue the credit bureaus and the collection agencies?

The consumers are left in a critical situation because of the

- Carelessness of the credit bureaus when the credit report prepared by them contains inaccurate data.
- Unethical means followed by collection agencies to collect money from them.
- Refusal by the credit bureaus to update their database with the correct data of the consumer.

It becomes necessary to sue the credit bureaus and collection agencies when they create a problem for the consumers and refuse to amend it.

The mistakes of the credit bureaus in preparing your credit report reduce your credit score. It can make you ineligible for any further loans. A recent study has shown that about a one-third of all the credit reports prepared is faulty. This is because the credit bureaus database contains inaccurate information. This cannot be accepted because they are paid for their work, and they must maintain the desired standard.

Do not hesitate to go against the creditors, credit bureaus, or the collection agencies. You just have to find out whether they are at fault or not. If they have broken the laws, just go ahead because it's they who should be afraid, not you.

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What is Small Claims Court?

Small Claims Court is a legal body meant to solve disputes for small amount of money. The amount claimed is generally less than \$3000, although it can vary. The one who files the claim is called the plaintiff and the other person is called the defendant.

The procedures of the Small Claims Court are quite informal. The parties involved in the dispute, represent themselves in the court hearing. Each party puts forth its own side of the story. Lawyers or advocates are not allowed, although some of the small claims courts allow them. There is a judge who finally resolves the matter without the help of any lawyer. Such courts do charge a small amount of money as the fee to file a claim. Later, there can be some other charges like payment to the witnesses and likewise. But still small claims courts are less expensive than the rest because hiring lawyers is not mandatory.

Small Claims Court deals with different kinds of cases. Examples include collection of money owed, damage caused in car accidents, any property damage, any landlord/tenant rent deposit dispute, compensation for poor goods and services provided.

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Benefits of filing a claim in the Small Claims Court

- By filing a lawsuit against them, you will force the creditors, credit bureaus or the collection agencies to make changes in their way of doing business. In this process you will be helping many others who are unhappy and depressed because of their policies.
- Small claims court does not take too much of your time. The dispute is settled quickly.
- If you win, you get an amount of money as a compensation for the inconvenience caused to you.

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How do you know that its time for a legal action?

You must understand that you should go for a court case, when one or more of the following happens:

- The collection agency does not validate your debt yet contacts you for collection.
- You have sent a 'cease and desist' letter to the collection agency. Still they call you up for payment.
- The collection agency does not update its records after you pay a part of your debt.
- The collection agency does not validate your debt yet reports to the credit bureaus.
- The collection agency withdraws money through your postdated cheque before the date on the cheque.
- The collection agency calls you up late at night.
- The collection agency annoys you, threatens you, uses offensive language, or uses violence.
- The collection agency calls up your friends and neighbors without your approval and discusses with them about your debt.
- The collection agency asks for your personal belongings without having got any judgment from the court.
- The collection agency calls you up at your office without your permission.
- The credit bureaus have incorrect information about you in their records and refuses to correct it even after you provide them evidence.
- The creditors pull out your file without any reasonable purpose.
- Your creditor does not report your credit history correctly.

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Go for the out-of-court settlement first

Accept their proposal for out-of-court settlement if they give you one. Or else you propose them for the same before going to court.

The judge needs to understand that you are in a problem and that you have tried your best to resolve the matter on your own. Only after much harassment are you seeking the help of the court. The judge must get an idea of how much anxiety and stress you are going through. To achieve this, you must possess the necessary proofs of your negotiation with them.

How to propose for an out-of-court settlement:

First of all, send them a letter asking for the necessary changes you want. You must be seeking a change in the credit bureaus' database or a change in the collection agency's policy of collecting debt.

If there is no response from their side, let them know that you are filing a court case against them. Send them a settlement letter mentioning the changes you want and the amount of money you demand in the lawsuit.

It's very likely that they will accept your proposal and try to solve the dispute personally instead of going to the court. It will save them from losing their time and their reputation. In this way they could also save the court fees and other charges, although they have to pay you.

If your proposal is accepted:

- **Get the written document of the settlement:** Get hold of an original copy of the agreement with their signatures. You might not get the original copy since they can even fax the agreement to you. If they refuse to give a written form of the settlement, then you need to go to the court.
- **Read the terms and conditions of the settlement carefully before signing it:** The language used in the agreement letter or document given to you might contain legal jargon. You might not completely understand the clauses mentioned in the document. To be on the safer side, get in touch with a good lawyer. Sign the document only after comprehending it with your lawyer's help.

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