

Debt Collection

This information is not legal advice. We offer it as a public service. We urge you to talk with a lawyer about your situation.



What if I Can't Pay my Bills?

If you can't pay your bills, you are not alone. Many of us fall behind at some point in our lives. We all want to pay what we owe. But sometimes, we can't. It can be stressful, but it may not be as bad as you think. You have options, such as;

- Credit counseling;
- Developing a sensible budget;
- Debt consolidation;
- Debt negotiation; or
- Bankruptcy.

Which option makes the most sense for you depends on your financial situation, your level and types of debt, as well as several other factors. When deciding which option is best for you, don't go it alone. Contact one of our Helpline attorneys or a consumer credit counseling agency, such as Consumer Credit Counseling of Maine at (866) 889-9347, to help you.

Do I Have Any Protection from Harassment by Collection Agencies and Collection Attorneys?

State and federal laws protect you from harassment by collection agencies and collection attorneys. If you are being harassed by debt collectors,

are worried about a creditor taking you to court, or concerned about losing your property or Social Security, **consider the following questions and answers:**

Q: Is there any way I can get the bill collectors to stop calling me?

A: Yes. You have the power to get bill collectors to stop calling you. All it takes is a letter telling them to stop calling you. If they call or write to you after they get your letter, they're breaking the law. We have a form letter you can use. If you want it, call us. The letter only makes the phone calls from the bill collectors go away, not the debt.

Q: Does the company I owe the money to have to stop calling me if I send them a letter?

A: No. The "creditor," the person or company you owe money to, can still call you. There may be some other things that you can do to try to get them to stop calling. Call us for free advice about what things might work for you.

Q: Is there anything else I can do?

A: Yes! Send a letter to each of your creditors. Explain that you can't afford to pay. If creditors believe you really can't afford to pay, they may



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stop trying to collect the money from you, especially if the debt is small. We have a form letter you can use. If you want it, call us. However, your creditor has a right to pursue collection.

Q: What if the creditor takes me to court?

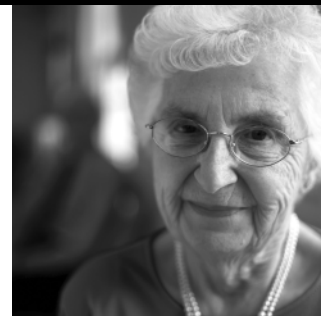
A: If you don't pay, the creditor may sue you to try to collect the money. If this happens, you will get court papers stating the date of your "hearing." This is when a judge will decide if you owe the money. If you don't think you owe some or all of the money the creditor says you owe, call us for legal advice.

Q: What if a judge decides that I owe the money, but I still can't afford to pay it?

A: If the judge rules that you owe the money and you don't pay, the creditor can bring you to court a second time. The second hearing is called a "disclosure hearing" because you will have to tell the court what income and property you have. You must go to this hearing. At the end of the disclosure hearing, the judge will decide if you have anything that the creditor can take. If the judge decides you can't afford to pay, you don't have to pay. Don't ignore any court papers. If the creditor takes you to court, call us right away to talk to a free lawyer.

Q: Could I lose my house if the creditor takes me to court?*

A: Maine law protects basic things a person needs to live—such as a modest home, car and furniture. If you have a not so modest home with a big mortgage, that may be protected too. Some property and income can't be taken from you. The laws about this are complex. Call us to find out how they apply to you.



Q: Can the creditor take my Social Security?

A: Your Social Security is safe from most creditors, even if the creditor takes you to court. If you owe money to the U.S. Government, they may be able to take part of your monthly Social Security check. The law also protects alimony, Supplemental Security Income, Veteran's Benefits, Worker's Compensation, and Maine State Retirement.

Q: Do I need to file for bankruptcy?

A: It depends. You may have other choices. Call us to talk about them.

For more information, call the Legal Services for the Elderly Helpline for free legal advice.

LSE Helpline
1-800-750-5353



Legal Services for the Elderly
Free legal help for Maine's seniors

***NOTE: If you have a mortgage or car loan, the bank that gave you the loan may be able to take the house or car if you stop paying on the mortgage or loan.**