HOW TO LEGALLY SETTLE YOUR PERSONAL CREDIT CARD DEBT FOR PENNIES ON THE DOLLAR

WITHOUT FILING BANKRUPTCY

By Martha Maeda
We recently lost our beloved pet “Bear,” who was not only our best and dearest friend but also the “Vice President of Sunshine” here at Atlantic Publishing. He did not receive a salary but worked tirelessly 24 hours a day to please his parents.

Bear was a rescue dog that turned around and showered myself, my wife, Sherri, his grandparents, Jean, Bob, and Nancy, and every person and animal he met (maybe not rabbits) with friendship and love. He made a lot of people smile every day.

We wanted you to know that a portion of the profits of this book will be donated to The Humane Society of the United States. —Douglas & Sherri Brown

The human-animal bond is as old as human history. We cherish our animal companions for their unconditional affection and acceptance. We feel a thrill when we glimpse wild creatures in their natural habitat or in our own backyard.

Unfortunately, the human-animal bond has at times been weakened. Humans have exploited some animal species to the point of extinction.

The Humane Society of the United States makes a difference in the lives of animals here at home and worldwide. The HSUS is dedicated to creating a world where our relationship with animals is guided by compassion. We seek a truly humane society in which animals are respected for their intrinsic value, and where the human-animal bond is strong.

Want to help animals? We have plenty of suggestions. Adopt a pet from a local shelter, join The Humane Society and be a part of our work to help companion animals and wildlife. You will be funding our educational, legislative, investigative and outreach projects in the U.S. and across the globe.

Or perhaps you’d like to make a memorial donation in honor of a pet, friend or relative? You can through our Kindred Spirits program. And if you’d like to contribute in a more structured way, our Planned Giving Office has suggestions about estate planning, annuities, and even gifts of stock that avoid capital gains taxes.

Maybe you have land that you would like to preserve as a lasting habitat for wildlife. Our Wildlife Land Trust can help you. Perhaps the land you want to share is a backyard—that’s enough. Our Urban Wildlife Sanctuary Program will show you how to create a habitat for your wild neighbors.

So you see, it’s easy to help animals. And The HSUS is here to help.
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**Credit Dispute Letter**

To

[Your Name]
[Your Address]

Dear [Name of Company] Credit Card Department,

I recently received a copy of my credit report and in the process of looking over it, I have found an error on the report. The error is as follows:

1. [Account Name] [Account Number] [Credit Card]

I dispute this account on my account because this account [has been paid full/has closed/was never opened by myself].

I am requesting that the item be [removed/updated] to correct the information.

I am enclosing copies of the documentation that reinforces my claim in this matter.

I am requesting that you investigate [this/these] matter(s) and [remove/correct] the disputed item(s) as soon as possible.

Sincerely,

[Your Name]
Debt Validation Letter

Date

Your Name
Address
City, State ZIP Code

Debt Collector's Name
Address
City, State ZIP Code

Re: [Account Number]

Dear Debt Collector:

This letter is being sent to you in regards to the notification I received from your company on [Date] regarding the account number mentioned above. Through the Fair Credit Reporting Act, I have the right to ask you to validate this debt, which I am now requesting with this letter.

If you do not comply with this request, I will file a complaint with the Federal Trade Commission and the Attorney General's Office in your state.

Sincerely,

Your Name

Your Name
Your Address
Your Phone #

Creditor's Name
Department
Creditor's Address

Unsolicited Offer Letter

Date

Your Name
Address
City, State ZIP

Debt Collector's Name
Address
City, State ZIP

Re: [Account Number]

Dear Debt Collector:

After a long period of financial hardship, I am finally in a position where I can take care of my debt with the account number given above. I appreciate any and all effort your company is willing to give to help me resolve my debt problems. I would sincerely like to settle this debt and close this account.

The amount I would propose to pay towards full settlement of the debt is $________. Additionally, I would request you to remove any late payment or charge-off notations on this account from my credit report.

I am currently negotiating debt with several creditors and I have only a limited amount of money. I have already reached acceptable settlements with two creditors and I doubt whether I will have enough funds available until the end of this month. However, I am anxious to re-establish my credit rating, and if you can help me do so, I would be willing to consider a counter-offer.
Debt Settlement Agreement

(Creditor's name), the Creditor/Creditor's Representative and (debtor's name), the Debtor agree to negotiate and settle the debt under the following terms and conditions.

The Creditor and Debtor agree that the current outstanding debt is <$balance amount>. Both parties agree that the Creditor will accept a cash payment of $________ toward settlement of the debt in full. The Creditor agrees to compromise the debt under the condition that it will receive the payment by [date].

If the Debtor fails to send in the amount agreed by ____________, the Creditor shall immediately demand the payment of the original amount owed by the Debtor. (Creditor's name) also declares that he or she is authorized to act as an agent of the Creditor's company.

(Add credit report info)

This agreement for debt settlement shall be binding upon the Creditor, Debtor, and their successors and assignees.

Dated:

Signature:

(Creditor's name),
Creditor

Signature

(Debtor's name),
Debtor
Debt Hardship Letter

Your Name:
Your Address:
Your Phone Number:

Creditor's Name:
Department:
Creditor's Address:
Date:

Re: Account Number

Dear Creditor,

This letter is being sent as a written request for a change in the repayment terms of my debt account. Currently, I am going through a financial crisis that is making it difficult for me to repay my debt on the previous repayment schedule. I do not want to file for bankruptcy, nor do I want to default on this debt.

I have examined my financial situation and created a budget. I feel it is necessary for me to ask that you accept a [reduced/alternative] payment plan for a period of months until this financial crisis passes.

I would greatly appreciate your cooperation in helping to make the payment plan easier for me during this financial crisis. I would like to request that the monthly payments go down from $_______ to $_______, with each payment arriving on [date] of each month.

Under this agreement, I will not incur any debt during the time that I am going through the financial crisis and while I am paying you in this new repayment plan.
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shall begin making regular monthly payments as soon as I recover from its financial crisis. I hope you will understand my situation and cooperate with me. I shall surely notify you of any change in my financial situation. Your cooperation during this difficult time is highly appreciated.

Yours sincerely,

Your Name

APPENDIX C

USEFUL WEBSITES

Many of these websites have been mentioned in this book. Others are resources that provide additional information and assistance.

Credit Cards


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New credit card laws 2010 still have ‘gotchas.’ Here are five steps to avoid them.” Christian Science Monitor. (www.csmonitor.com/40oney/2010/0222/New-credit-card-laws-2010-still-have-gotchas-here-are-five-steps-to-avoid-them)


Credit Card Payment Calculators

- Credit Card Payoff Calculator. www.debtonsolidationcare.com/calculator/pay.html


Credit Reports and Credit Repair

AnnualCreditReport.com The only authorized source for your free annual credit report. (www.annualcreditreport.com)

Appendix C: Useful Websites


“How is your debt listed and displayed on your credit reports?” Credit.com. (www.credit.com/credit_information/credit_help/Credit-Improvement-Your-Amount-of-Debt.jsp)


Credit Monitoring Services

Equidata (www.equidata.com)

IdentityGuard (www.identityguard.com)

truecredit (TransUnion) (www.truecredit.com)

Equifax (www.equifax.com)

TripleAlert (Experian) (www.experianalert.com/triplealert)
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Government Agencies and Publications

5 Publication 4681: “Canceled Debts, Foreclosures, Repossessions and abandonments (for Individuals)” IRS.

www.ftc.gov/bcp/edu/pubs/consumer/credit/cre19.shtm

www.bls.gov/cex/

Federal Trade Commission.
www.ftc.gov/bcp/edu/pubs/consumer/credit/cre18.shtm

Debt Settlement Negotiation

2 Tips for Negotiating With Debt Collectors.” MSN Money.
http://moneycentral.msn.com/content/Savinganddebt/Managede/5141.asp

www.ftc.gov/os/statutes/fdcpa/letters/wollman.htm

Debt Validation: The ultimate weapon against the collection agencies.”
creditInfoCenter.com.
www.creditinfoCenter.com/rebuild/debt_validation.shtml

AO: Debt settlement firms mislead consumers.” McFadden, Leslie.

Legal Resources

(http://www.ncl.org/images/pdf/credit_reports/archive/analysis-facta.pdf)

Bankruptcy Code, Title 11 of the United States Code.

Bankruptcy. U.S. Courts.
(www.uscourts.gov/FederalCourts/Bankruptcy.aspx)

Credit Repair Organizations Act
(www.ftc.gov/os/statutes/croa/croa.shtml)
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t Sheet 6a: Facts on FACTA, the Fair and Accurate Credit Transactions Act. Privacy Rights Clearing House. (www.privacyrights.org/fs/fs6a-facta.htm)


Credit Counseling and Debt Management Plans


List of Approved Credit Counseling Agencies by State: U.S. Courts (www.uscourts.gov); U.S. Trustee Program (www.usdoj.gov/ust).

Professional Associations and Non-profit Organizations

Better Business Bureau (www.bbb.org/us/)

Collection Industry News (www.agencycollectors.com)

Association of Credit Industry Professionals (www.acainternational.org/memberdirectory.aspx)

Commercial Collection Agency Association (www.ccaacollect.com/member-directory.htm)

Debtors Anonymous (www.debtorsonanonymous.org)

Institute of Consumer Financial Education (www.confinstitute.org)
APPENDIX D

STATE CONSUMER PROTECTION AGENCIES

This is a list of state consumer protection agencies. Many states also have regional, county, or city agencies. You can find a complete list on Consumeraction.gov (www.consumeraction.gov/state.shtml).

**Alabama**
Office of the Attorney General
500 Dexter Ave.
Montgomery, AL 36130
334-242-7335
1-800-392-5658 (AL)
Fax: 334-242-2433
www.ago.state.al.us

**Arizona**
Consumer Protection and Advocacy Section
Office of the Attorney General
1275 West Washington St.
Phoenix, AZ 85007
602-542-5025
602-542-5763
1-800-352-8431 (AZ)
Fax: 602-542-4085
www.azag.gov

**Alaska**
Consumer Protection Unit
Office of the Attorney General
PO Box 110300
Juneau, AK 99811-0300
907-465-2133
1-888-576-2529
Fax: 907-465-2075

Consumer Protection
Office of the Attorney General
Consumer Information and Complaints
400 West Congress South Building
Appendix D: State Consumer Protection Agencies

Delaware
Delaware Office of the Attorney General
Consumer Protection Division
25 Sherman St., 7th Floor
Newark, DE 19711
3-866-6067
Fax: 302-765-4916
Email: stop.fraud@state.de.us

www.delaware.gov

District of Columbia
Office of the Attorney General
Office of Consumer Protection
441 4th St., NW
Suite 600 South
Washington, DC 20001
202-727-3400
Fax: 202-478-9296
www.oag.dc.gov

Department of Consumer and Regulatory Affairs
Government of the District of Columbia
941 North Capitol St., NE
Suite 9700
Washington, DC 20002
202-442-4400
202-727-1000
(Citywide Call Center)
202-442-9828
Fax: 202-442-9445
Email: consumer.protection@dc.gov
www.consumer.dc.gov

Office of Consumer Protection
Department of Consumer & Regulatory Affairs
941 N Capitol St. NE
Washington, DC 20002
202-442-4400
202-442-4615
Fax: 202-478-9296
www.dcra.dc.gov

Florida
Dept. of Agriculture and Consumer Services
Division of Consumer Services
Terry Lee Rhodes Building
2005 Apalachee Pkwy.
Tallahassee, FL 32399-6500
850-488-2221
1-800-435-7352 (FL)
1-800-352-9832 (in Spanish)
www.800helpfla.com

Florida Office of the Attorney General
The Capitol PL-01
Tallahassee, FL 32399-1050
850-414-3300
1-866-666-7226 (FL)
1-800-955-8771 (Toll free)
Fax: 850-488-4483
http://myfloridalegal.com

Georgia
Governor's Office of Consumer Affairs
2 Martin Luther King, Jr. Dr. SE,
Suite 356
Atlanta, GA 30334-4600
404-651-8600
1-800-869-1123 (Outside Atlanta)
Fax: 404-651-9018
http://consumer.georgia.gov
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R EXPENDITURES—2008.” Statistics. October 6, 2009. nr0.htm

19. “Consumer Credit.” March
PLEASES/G19/current

rts your credit.” MSN Money.
Banking/YourCreditRating/
it.aspx

ing often fails.” MSN Money.
Banking/YourCreditRating/

rd to kill.” MSN Money. July
msn.com/SavingandDebt/
gUpYourOldMistakes.aspx

1-news/credit-card-industry-

otley Fool.com.
s03.htm

Martha Maeda is an economic historian and writes on politics, ethics, and modern philosophy. After graduating from Northwestern University, she lived and worked in Australia, Japan, Latin America, and several African countries before settling in the United States. She has a special interest in microeconomics and the effects of globalization on the lives and businesses of people all over the world. She is the author of several books on personal finance including The Complete Guide to Investing in Exchange Traded Funds, The Complete Guide to Investing in Bonds and Bond Funds, How to Wipe Out Your Student Loans and be Debt Free Fast, The Complete Guide to IRAs and IRA Investing, and The Complete Guide to Spotting Accounting Fraud and Cover-ups.