



Managing Debt

If you owe money you cannot repay, you need a plan. Do not ignore the problem. There are people who can help you.

Where do I start?

- Make a budget.
 - Write down what you make and spend in a month
 - Look at where your money goes
 - Look for ways to save money
- Call the companies where you owe money
 - Explain why you have trouble paying the bill
 - Ask for a plan to let you pay less each month
- Get help from a credit counselor

How can I get help?

Look for a credit counselor who will meet you in person. Then ask questions. These questions will help you select a counselor:

- What can you do to help me?
- How much will I have to pay?
- Do you have free education and information?
- Are you licensed to work in my state?

Look for a credit counselor who can do the most for you. You might have to pay some money for help. But a good credit counselor will not ask you to pay in advance.



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What do I do about calls from debt collectors?

When you talk to a debt collector:

- Keep a notebook by your phone or with you.
- Ask: What is your name, company, address, and phone number? Write the answers. Write the date and time you talked.
- Say: I will only talk when I get the written validation notice.
- If the collector threatens you or uses bad language, hang up. He is breaking the law.
- You can file a complaint about a debt collector by calling the Federal Trade Commission at 1-877-382-4357.

When you get the validation notice:

- See if you recognize the debt. The notice should list the “creditor.” The creditor is the person you owe money to. You can call the creditor to get more information.
- If you do not think the debt is yours, follow the instructions in the notice. It should tell you what to do next to question the debt.
- If the debt is yours, make a plan for how to pay it. Talk to a credit counselor.

If you want the collector to stop calling:

- Write a letter to the debt collector. Tell him to stop calling you immediately. Send the letter by Certified Mail and ask for a “return receipt.” The law says he must stop calling you when he gets your request in writing.
- If that debt collector still calls, file a complaint. Call the Federal Trade Commission at 1-877-382-4357.