

SAMPLE TEMPLATE
LETTERS TO USE FOR:

**1. REQUEST DEBT
VALIDATION**

2. NEGOTIATE DEBT

**3. DEBT SETTLEMENT
AGREEMENT**



HOW DEBT VALIDATION WORKS

According to Section 809 of the **Fair Debt Collection Practices Act** you have the right to request a collection agency validate the debt they are trying to collect. Essentially, the collection agency must show that you owe the “original creditor” the debt and not the debt collector.

Typically verification of the debt occurs in the debt collector’s initial contact with you. If the debt collector fails to verify the debt, by law they have 5 days from the initial contact to tell you:

- ***the amount of the debt***
- ***the name of the creditor to whom the debt is currently owed***
- ***you have 30 days to dispute the validity of the debt***
- ***if you don’t dispute the debt’s validity, the collector will assume it is valid***
- ***if you do dispute the debt’s validity within the 30 days, the agency will send you verification of it, and***
- ***if you send a written request within that 30 days for the name and address of the original creditor, the agency will provide it, if different from the current creditor.***

If the first communication to you is a letter it may already include the notice. The letter will contain a “mini Miranda” stating: *“This is an attempt to collect a debt and if we do not hear from you within 30 days of this notice, we will assume the debt to be valid.”*

HOW TO REQUEST DEBT VALIDATION

When requesting debt validation, you can dispute the entire debt or part of the debt, and you can request the name of the original creditor. Requesting the name of the original creditor may help you decide whether you have grounds to dispute the debt. Your debt validation letter must be sent in writing. After receiving your dispute, the collection agency must send you proof. If the debt collector cannot verify the debt, you may be able to eliminate the debt and have it removed from your credit reports. It is not enough for the collection agency to simply send you a printout of the amount owed.

The debt validation process was enacted to relieve consumers from active collection on debts until the debt collector obtains proper verification of the debt from the original creditor and they have a basis for determining the debt is in fact valid.

IF YOU REQUEST VALIDATION, COLLECTION MUST STOP

After receiving your dispute, the debt collector cannot contact you until it has provided you with the requested information. The collection agency must stop its collection efforts and cannot resume them before double-checking the debt information with the original creditor and mailing you the verification, including the original creditor's name and address.

If you do not hear from the debt collector and the account remains on your credit reports there are a few actions you can take. First, make a **complaint** to the Consumer Financial Protection Bureau for noncompliance and let them know you want the debt deleted from your credit reports as the final resolution. Second, make a complaint to the Better Business Bureau requesting a deletion of the account due to noncompliance of the Section 809 of the Fair Debt Collection Practices Act. Third, make a complaint to your State's Attorney General.

Even though the Fair Credit Reporting Act allows a "disputed" notation to appear on your credit reports, there is no reason to accept that notation if a debt collector cannot prove you owe the debt with proper validation documents.

DO NOT ACKNOWLEDGE THE DEBT

Never acknowledge you owe the debt. Make the collection agency or junk debt buyer prove you owe the debt. Avoid getting on the phone with any collection agency, junk debt buyer or collection agency law firm. Deal with them via U.S. Mail only.

Acknowledging you owe the debt, making payment arrangements or even making a partial payment on the debt may re-start the **statute of limitations** on the debt.

Your Name:

Your Address:

Your Phone #:

Collection Agency's Name:

Collection Agency's Address:

Dear Sir/Madam:

Re: Account Number: _____

This letter is to inform you that I had mailed you a debt validation letter and it been _____ days since my request for the documentation of this account. According to Fair Debt Collection Practices Act, I have the right to seek validation of this debt and you are required to provide me the documentation of this debt. However, I have not received any reply and documentation except the confirmation that you did receive my validation request.

I have also received verification on this account from the credit bureaus and this account has been listed on my credit report. But, according to the Federal Trade Commission, reporting a collection account is a collection activity. So, you are now in violation of FDCPA and subject to a fine of \$1,000 as you have not validated the debt. I can collect the fine by filing a lawsuit against you in small claims court. I do intend to follow-up with this if I fail to receive a reply from you within 15 business days.

If you can't provide documentation of this debt, you should request the credit bureaus to REMOVE THIS ITEM from my credit report and update my report accordingly. Otherwise, I will file complaints with the FTC.

Thank you, in advance, and I look forward to hearing from you.

Date: _____

[Debt Collector Name]
[Address]

*****SENT VIA CERTIFIED MAIL*****

RE: VALIDATION OF ACCOUNT FOR: _____
Account #: _____

To Whom It May Concern:

I neither affirm, nor deny this purported debt. You claim I owe your company [\$].

This letter is being sent to you in response to an entry made on my Credit Report dated [date]. Please be advised that this is not a refusal to pay the debt, but a notice sent pursuant to the Fair Debt Collection Practices Act, 1: USC 1692g Sec 809 (b) that your claim that I owe you money is disputed, and validation is requested.

Under the Fair Debt Collections Practices Act, I have the right to request validation of the debt you say I owe you. I am requesting proof that I am the correct party, and there is some contractual obligation which is binding on me to pay this debt. This is NOT a request for "verification" via E-Oscar or proof of my mailing address, but a request for VALIDATION made pursuant to the above-named Title and Section of the Fair Debt Collection Practices Act.

Reporting inaccurate and unsubstantiated information to a credit reporting agency may constitute fraud under federal law. Compliance with this request is required under the laws of state and federal statutes.

Debt validation includes the following:

- 1. Who was the original creditor on this account, and what was the account number?*
- 2. What was the original amount owed? Please provide a complete payment history, starting with the original creditor.*
- 3. Please provide me documentation that indicates that I agreed to pay someone this sum of money.*
- 4. What was the original date of delinquency for this account?*
- 5. Agreement that grants you the authority to collect on this alleged debt, or proof of acquisition by assignment.*

6. *What did you pay for this account, and how did you calculate the current amount owed?*

I require compliance with the terms and conditions of this letter within 30 days of your certified receipt, or a complete removal from my credit profile, in writing, of your claim. In the event of noncompliance, I reserve the right to file charges and/or complaints with the CFPB, and appropriate county, state, and federal authorities. I also hereby reserve my right to take private civil action against your company to recover damages.

In addition, the Fair Credit Reporting Act states that while this item is being investigated you must indicate to the bureau that the account is under dispute and will remove/cease from reporting this information to the Credit Reporting Agency until full validation has been completed.

I have sent a copy of this request for validation to the three national Credit Reporting Agencies to begin their 30-day investigational process concurrent with your investigation.

Sincerely,

**CC: TransUnion
Equifax
Experian**

DEBT NEGOTIATION GUIDE:

- I am calling to complete a **Negotiation of a Debt** that you claim I owe you for **Account #:** _____ **of the Original Creditor of:**

ASK.....

Do you have the authority to negotiate on behalf of your company to settle this debt, and if not, I will wait until I can speak with someone who has such authority?

EXPLAIN TO THEM.....

*I am able to offer you: \$ _____ to settle this debt today, and only today.
I have limited funds with which to settle my obligations.*

IF YOU SUCCEED IN YOUR NEGOTIATION.....

Fill in the blank sections of your Terms Agreement and send it via fax or email to the Collector. Ask the Collector to put on their letterhead, sign, and return while you're waiting on the phone.

IF YOU DON'T SUCCEED IN YOUR NEGOTIATION.....

Document the conversation, Move to the next Collection Account for Negotiation, and Calendar forward for targeted next Contact Date.

Consumer Name
Address
City, State, Zip

RE: TERMS AGREEMENT
(Debt collector acct #/ reference original acct #)

To Whom It May Concern:

In regard to our verbal agreement to accept settlement of the amount owing on the above described account, please accept this letter as our acceptance of the terms listed below once we have received your payment.

TERMS:

1. **[Debt collector name]** agrees to accept **[\$xxx.xx]** as payment in full for debt originally owned by **[original collector] [original account#]** listed under **[debt collector name/account number]**.
2. **[Debt collector name]** agrees to report this trade-line to the three main Credit Repositories/Bureaus as a "Zero Balance" and "Paid as Agreed" account.
3. **[Debt collector name]** will not give this trade-line any new account number, re-sell this debt or any remaining balance to any other party, re-age the or change the original date of delinquency for this account, or change the reporting status after the terms of the agreement have been met other than the agreement listed in #2 above.

This payment must be received by **[debt collector]** within _____ business days of this letter at the address listed below.

Sincerely,

Debt Collector
(Name/title of individual making
decision) Address
City, State