Debt Collection Worries

Pre-reading

Questions: What do you know about debt collection and the worries about it?

Definitions: Creditor – a person or business to whom money is owed by someone
Obligation – something that is owed
Oppress – to cause a heavy feeling of defeat or hopelessness

Reading

Shane lost his job at the school. He was worried about his loss of income. He thought, “How will I make my rent payment? How will I pay-off my loans? How will I make ends meet?”

Shane was probably not going to be able to pay his bills on time. He worried about debt collectors knocking on his door. He had visions of big, unfriendly men harassing him and his family for his unpaid bills.

Kim, Shane’s case worker at the WorkForce Center, tried to help ease some of Shane’s concerns. She suggested that he contact his creditors right away. Many creditors are willing to discuss a modified payment plan that reduces a person’s monthly payment to a more manageable level. If Shane does this, his creditors will know he is trying to meet his obligations.

If Shane chooses not to contact his creditors and neglects his payments, his accounts will be turned over to a debt collector. Kim gave Shane some information on the federal Fair Debt Collection Practices Act.

She reviewed the Federal Trade Commission’s “Fair Debt Collection” brochure with him. It addressed many commonly asked questions on the subject. Kim wanted Shane to be informed about his rights and to know that debt collectors must treat people fairly.

What does it mean to “treat people fairly”? In the matter of debt collection, it means that a debt collector may not contact you at inconvenient times or places, such as before 8 a.m. or after 9 p.m., unless you agree. A debt collector may not contact you at work if the collector knows that your employer disapproves of such contacts.

According to the Federal Trade Commission, a collector may contact you in person, by mail, telephone, or fax. Debt collectors may not harass, oppress, or abuse you or any third parties they contact. They may not use threat of violence or harm, and they may not use obscene or profane language.

Kim’s suggestions and information were very helpful. Many of Shane’s questions were answered, and many of his worries disappeared. Shane is less stressed and feels more optimistic about his future.
Understanding

1. What does the word harass mean? _____________________________________________
   ____________________________________________________________________________

2. Who helped Shane with his money concerns? ____________________________________
   ____________________________________________________________________________

3. What is debt? __________________________________________________________________
   ____________________________________________________________________________

4. What is the federal debt collection law called? _________________________________
   ____________________________________________________________________________

5. How could Shane best manage his debt payments? _______________________________
   ____________________________________________________________________________
   ____________________________________________________________________________

6. Can a debt collector contact a person at his/her workplace? ______________________
   ____________________________________________________________________________

7. What specific information helped put Shane’s mind at ease? _______________________
   ____________________________________________________________________________
   ____________________________________________________________________________

8. Who published the brochure about debt collection that Shane received? ____________
   ____________________________________________________________________________

Writing

Option A: Summarize the reading in your own words.

Option B: Have you or someone you know had an experience like Shane’s? If so, write about it.