

## HOW TO MAKE BILL COLLECTORS PAY YOU MONEY!

by Attorney David Grossack

Americans are in the hundreds of billions, if not a trillion dollars, in credit card debt.

As the economy continues to plunge, the percentage of this debt that becomes delinquent will increase.

Some of the debt will be purchased by debt buyers, groups of investors who pay pennies on the dollar for the right to step into the shoes of the credit card companies and chase the overdue accounts which they have purchased.

Eventually, these unpaid bills, as well as those remaining, with the original creditors, i.e. Citibank, Capital One and Discover, will be passed on to a collection agency and then perhaps to a law firm that processes a large volume of credit card debt.

The interest, late fees, over limit fees and annual membership fees nowadays bring the actual interest owed to dizzying heights.

Effective annual interest charge now may reach 79.9% in one card, issued by a bank in South Dakota, but marketed nationally.

A recent Citibank case heard in Salem, Massachusetts in the Superior Court of the Essex County involved a card where the actual interest rate was calculated to be 54%.

Judge Robert Cornetta issued an opinion that held that interest rates over 18% were unconscionable. Unfortunately, this opinion is not binding on other judges.

Similarly unconscionable are many tactics used by collection agencies to intimidate consumers into paying their credit card bills when, usually sickly or between jobs, they fall behind.

Excessive phone calls, threats of criminal prosecution, threats of revealing a debt to employees or relatives, calling friends or relatives, and employees, abusive language and outright lying about the amount of money due, and the debtor's rights and even seeking to recover debts when the statute of limitations as expired, are all tactics we've encountered.

Also common is communicating with the debtor when the debtor is represented by a lawyer, an illegal tactic.

These kinds of tactics give the debtor the right to sue the collection agency (or law firm) that is engaging in this wrongful collection conduct.

Congress passed the Fair Debt Collection Practices Act (FDCPA) which specifically enables lawsuits against debt collection companies (or law firms) that violate the law. The cases may be brought in state court or federal court.

Very often, the bad conduct of the collection agency causes severe emotional distress. This emotional distress is compensable.

People who experience abuse at the hands of debt collectors should not suffer in silence. The law is on your side!

The author regularly represents clients who have been mistreated by debt collectors. He has obtained settlements from both law firms and collection agencies for his clients.

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