

## 5 TIPS FOR DEALING WITH CREDITORS

Talking to a collection representative can be, well, frustrating.  
The following tips are meant to help you in this process.

### TIP #1 – EMPATHIZE

The first thing I want you to remember is that the person on the other end is just doing their job. You may or may not agree with their tactics, but ultimately they are hired to do one thing – collect money. Some use more human techniques than others, but at the end of the day, their pay may be determined on their success. And they could be in the same financial boat you are. Let them know that you know it is not personal. For example, “I know you are just doing your job...” can set the tone.

### TIP#2 – BE PREPARED

Let me set the stage: You answer the phone, The person on the other ends starts into you about what you owe them and what they need and you don't have time to collect your thoughts. Before you know it, you promised something you can't possibly stick to. And your stress level goes up. The proactive approach would be to know exactly what you can and cannot afford to pay on each account. Then, while they are asking for the balance, keep repeating what you can afford to pay. It is likely they will not accept the lesser amount, but stand your ground. There is no use promising something you cannot stick to. As a side note, if you pick up a call by mistake and are not prepared, tell the caller you will get back to them or ask them to call you back and give you some time to determine what you can do.

### TIP #3 – KEEP ACCURATE RECORDS

Keep a record of who you spoke to, when you spoke to them, what you said and any promises you made. This could come in handy if you do have to proceed to court or a discrepancy arises with respect to your conversations.

### TIP #4 – SEND FOLLOW UP MATERIALS

It's not good enough to simply say, “I cannot afford to pay \$XXX per month.” Back it up with financial statements. Draft an outline of your income and expenses and ask the caller for an address or fax number to send it to. In the cover letter you can add any additional details that you feel are important. I will be honest here – most of this won't matter to the collector. Remember, their job is to collect, not to care, so they likely will be just as persistent, but at least you are showing good will and doing more than most. Again, keep a record of what you send, this could be useful if things get worse.

### TIP #5 – ALWAYS KEEP YOUR PROMISES

If you make a commitment it is important that you keep it or that you contact them to advise that you cannot. If you break your commitment they will be less likely to work with you farther.

