

Program Details

Debt Validation

The following page will explain how a debt validation program works and provide examples throughout the page of successful cases. For the last six years, debt validation has been a top choice for consumers when it comes to credit card debt relief programs offered by Golden Financial Services. A debt validation program can be less expensive than debt settlement and could result in derogatory information getting removed from credit reports.

Consumer protection laws require collection agencies to maintain complete and accurate records. Debt validation, or “debt verification,” refers to a consumer’s right to challenge a debt. Debt validation programs use these consumer protection laws to force collection agencies to prove that they are maintaining complete and accurate records.

It does not matter if you live in New York, Pennsylvania, or California, debt validation can be your least expensive path to dealing with unsecured debt. There are some state restrictions, but as of 2021, at least 30 states will qualify for the debt validation program.

What does it mean to validate a debt?

Validating a debt means that the collection agency was able to prove the debt is valid and that they are legally attempting to collect on it.

Unbelievably, collection agencies can rarely prove a debt is valid after it gets disputed with a debt validation program. Even debts that have a large balance can easily get invalidated.

A debt validation program offers qualified applicants an affordable monthly payment to deal with all of their unsecured debts. Not one, but fourteen federal laws can be used to dispute collection accounts on a validation program, including the FDCPA, FCRA, Credit Card Act, FCBA, and several others.

What kind of debt qualifies on a validation plan?

Whether it was initially a credit card or medical debt, almost all types of unsecured debt can get disputed and invalidated. Credit card debt is the most popular type of account that gets enrolled in a validation program but not all accounts qualify. For example, a Discover credit card may not qualify.

We recommend putting Discover credit cards into an attorney-based debt settlement program where legal protection is included. Debt settlement programs can allow you to pay less than the total amount owed on each of the accounts included in the p

Technically speaking, here's how a debt validation process works

After a person falls behind on a credit card payment by approximately 4-6 months, a collection agency will soon take over the account. Credit card companies show the delinquent credit card debt as a loss on their balance sheet at this point, allowing them to get reimbursed through tax credits and banking insurance.

So if your question is; "how could the bank let me walk away without paying?" Rest assured, Banks have contingency processes in place to make sure they get paid, even if you're not able to pay the debt in full.

Additional fees get tacked on to a debt by the collection agency at the time the original creditor sells the account. You never agreed to these fees, and therefore, if disputed the collection agency often can't prove the debt is valid. Creditors cannot legally modify the terms of the credit card contract that they had you originally sign without your authorization.

Banks will sell hundreds of accounts at once, not taking sufficient time to ensure all of the accurate and complete documentation gets transferred to the collection agency. Consequently, it's near impossible for a collection agency to prove a debt is valid after getting disputed. Banks will even put a disclosure on the sale order: "this account may not be able to get validated if disputed."

After a debt gets disputed and the collection agency fails to prove its validity, the consumer will receive a letter illustrating that the collection agency agrees to stop collection on the account. (See examples of that letter above and below on this page) In court, this letter would act as a defensible record proving the debt to be invalid. The collection agency agrees to stop collection on the debt due to their inability to prove it to be a valid debt. In the future, if a new collection agency takes over the account and illegally attempts to collect on the debt, this validation letter acts as proof that the account was already proven to be invalid. This debt validation letter can continue to be used as proof until the debt expires past the statute of limitations.

Additionally, the collection agency can no longer legally report the account on the consumer's credit report after it's proven to be legally uncollectible. Therefore, as a bi-product of debt validation, a consumer could get the debt removed from their credit. A debt dispute program will use credit restoration to dispute the debt on the consumer's credit if the collection agency fails to remove it on their own.

Why can't so many collection agencies prove a debt is valid?

Collection agencies quickly agree to stop collection on debt in many cases, without providing a reason. How is this possible? Is it more costly for a collection agency to invest sufficient time into proving a debt is valid? Is it because the collection agency can't prove that they are legally authorized to collect on a debt due to either missing documentation or inaccurate information? Could the collection agency have been involved in some fraud in the past?

There are many reasons why collection agencies can't prove a debt is valid. For that reason, debt validation programs work! Before paying on a collection account or agreeing to settle a credit card debt that may not even be valid, use debt validation to dispute it.

Debt validation programs allow you to force the collection agencies to prove that they are legally authorized to collect on an account.

Is debt validation a new program?

USA reported:

"Chase Bank closed all credit card accounts in the country in March 2018. ... Originally, customers were told to continue paying their debt, but the company confirmed Friday to USA TODAY that the debt was now canceled."

Credit.com reports:

"Chase filed more than 528,000 debt collections lawsuits against consumers and provided more than 150,000 sworn statements to debt buyers for their collections lawsuits against consumers, often using robo-signed documents. In doing so, Chase systematically failed to prepare, review, and execute truthful statements as required by law. Chase is also accused of collecting on so-called zombie debts — accounts that were either already settled or too old to collect on. Chase sold faulty and false debts to third-party collectors, including accounts with unlawfully obtained judgments, incorrect balances, and paid-off balances," the CFPB alleges. "Chase also sold debts that were owed by deceased borrowers."

The New York Times reported another example of debt validation:

"Billions of dollars in student loans may be wiped out for tens of thousands of borrowers in the US because a lender didn't keep track of the paperwork verifying ownership of the loans, according to The New York Times."

A recent Daily Finance report quoting a New York Times article states that:

"Financial companies like American Express, Citigroup, and Bank of America have committed fraud in financial dealings, are using erroneous paperwork, have incomplete records, and their legal processes are faulty; this includes information sent to debt collectors. Many debt collectors are using erroneous information to collect on debts, are acting as creditors when they are not, or are not in a position to legally collect the debt for lack of a state license, incomplete records, or other reasons."

Debt Validation Letters

We could show you example after example of how hundreds of debts have been invalidated over the last year alone. The following debts have become legally uncollectible. Legally uncollectible debts do not need to get paid and can no longer “legally” remain on credit reports.

Just like a speeding ticket gets dismissed, credit card debt can get proven to be legally uncollectible.

Even though you may have been speeding, it does not mean that the police officer can prove the ticket to be valid.

A debt validation dispute is not saying that you never spent the money on your credit card. It's disputing whether or not the collection agency is abiding by federal laws and attempting to collect on a debt lawfully.

Examples of what a debt validation program requests:

A copy of the original contract

A statement showing how the interest gets calculated

The collection agency's debt collector license that is legally required to collect on a debt

a 14-page debt collector disclosure statement, questioning the collection agency on information such as the when the statute of limitations expires on a particular account, how the outstanding balance was calculated, what fees were added in since the debt was sold, along with private details that the collection agency is legally required to know

In the debt validation program that we recommend over 30-pages of documents that get sent to your debt collectors. They must go through each page, line by line, and send in everything being requested laws require that. The case managers and debt defense team continue challenging a debt until the debt is “fully disputed” and remain with the consumer until the statute of limitations on a debt expires. Every legal debt relief angle is used to force your creditors to play by the rules.

Credit Restoration Included with a Debt Validation Program

You get credit restoration included with the debt validation program for “No Extra Cost.” The credit restoration begins at the beginning of the debt validation program, where random credit mistakes appearing on your credit report get disputed.

Money-Back Guarantee with Debt Validation

If a debt collection company validates a debt, clients get a full refund for any funds paid towards that account. Unlike individual unscrupulous debt settlement companies that charge

up-front fees and don't resolve your debt, this debt validation program comes with a 100% money-back guarantee.

Debt Validation Program Disclosures

Consumers have to be delinquent on monthly payments before a debt validation program can do its job, resulting in late marks and collection accounts on credit over the first year of the program. Accounts are not disputed until they are with third-party collection agencies. This downside is also true with credit card settlement programs.

Creditors can issue a credit card summons to go to court, and although this is rare it can happen. In this case, clients get refunded any funds paid into the plan and the program would then recommend a law firm to help settle and resolve the account. In the end, clients get all of their debt resolved one way or another. If the programs offered through Golden Financial Services were not highly effective, GFS would not be A+ rated by the Better Business Bureau averaging less than one complaint per year.

Creditors don't get paid on a monthly basis with financial hardship programs including settlement and validation. In fact, creditors don't get paid any of the monthly payments that you pay into the program with validation, instead, these payments cover the cost and fees of the plan. Validation is less expensive than a settlement because of the fact that creditors don't get paid anything with validation. Debt validation programs are not a loan, consolidating your bills or settling the debt. Fees are included in all plans including settlement and validation. If a client fails to make the agreed-upon payments for the program they can be terminated from the plan.

Debt validation programs are not designed to repair a person's credit and can't guarantee a debt will get removed from credit reports. After a debt gets invalidated, credit restoration will dispute the accounts, and as a result, it could get removed from credit reports. Additionally, collection agencies can no longer legally continue reporting a debt on a person's credit report after it's invalidated

A person's debt could increase after joining on a debt validation program due to late and collection costs incurring. Therefore, it's imperative that if you join a debt validation program, you stick with the plan until the end so that all of the processes can be completed. When you receive collection letters and correspondence from third-party collection agencies while enrolled in a validation program, you must send all documentation to the debt validation company assisting you. The company will then proceed with using lending laws to deem the accounts invalid and not collectible.

Not all clients make it through a debt validation program successfully, due to many possible reasons including the possibility of the client not being able to afford to pay all of the agreed-upon payments.

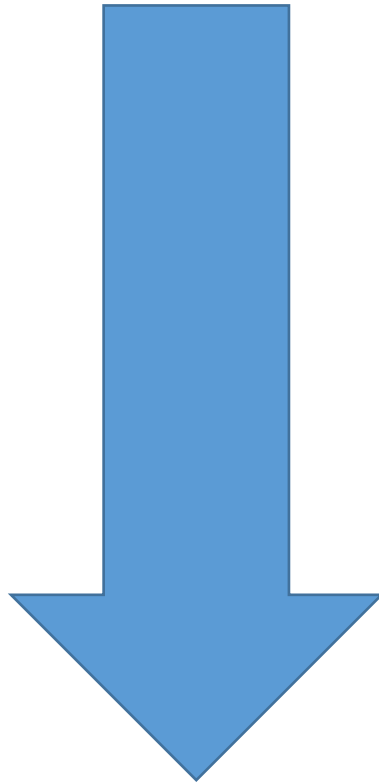
After a debt is fully disputed and invalidated, there is still a chance that it could get transferred/sold to a new collection agency or sent back to the original creditor where collection activity continues. For that reason, the validation company stays with clients until the statute of limitations on a debt has expired and will follow up with any new collection agency that takes over the debt providing proof that the account was invalidated. Additionally, the company will follow up with the credit reporting agencies disputing invalidated accounts from the clients' credit reports.

Golden Financial Services may refer you to a third-party company if you need assistance with credit repair or document preparation services to dispute debt. Call for specific information on your situation at (866) 376-9846, including program terms and payment quotes. GFS is not a licensed credit repair or a debt validation company. GFS's job is to provide consumers with financial education and information to people about their options. Based on specific criteria GFS determines what programs each person may be eligible for. If eligible we can assist consumers in enrolling in the plan of their choice. GFS only offers the programs that we believe are the best in the nation and plans that have a proven track record of success.

Not all consumers will qualify for a debt validation program due to the type of creditors that they owe, the state they reside in, and amongst other circumstances.

Debt validation is nothing new, it's been around for over a decade. Just as of late, it's becoming news to the public.

**Financial Institutions Letter Examples which proves the consumers
success stories**



American Express
Credit Bureau Unit
PO Box 981537
El Paso, TX 79998

Does Not Have to Pay This Amount



www.americanexpress.com

May 13th, 2020

Account Balance: \$15,643.00

Account Identifier: XXXXXXXX
Social Security Number: XXX-XX-XXXX
Re: Account Ending in XXXXX

Dear :

We are writing in regard to your request for debt validation on your account referenced above.

As we were unable to provide the information you requested, we have asked the credit reporting agencies listed below to delete all information pertaining to the Account Identifier number from your credit report.

It may take up to thirty days for the reporting agencies to comply with our request. Please use this letter as verification until your file is updated.

Please note: The Account Identifier number referenced above must be included in all correspondence regarding credit bureau reporting, as it is used for furnishing information to the credit reporting agencies.

| | | | |
|--|---|---|---|
| Trans Union Consumer Relations 2 Baldwin Place American Express Credit Bureau Unit P.O. Box 1000 Chester, PA 19022 1-800-888-4213/ 1-800-916-8800 www.transunion.com/ direct | Equifax Credit Information Services PO Box 740241 Atlanta, GA 30374 1-800-685-1111 www.equifax.com | Experian 701 Experian Parkway P.O. Box 2002 Allen, TX 75013 1-888-397-3742 www.experian.com/ ra | D&B 3501 Corporate Parkway P.O. Box 520 Center Valley, PA 18034-0520 1-866-785-0429 www.dnb.com For OPEN Small Business Network accounts only |
|--|---|---|---|

Capital One Credit Card That Went to Collection Invalidated

Portfolio Recovery Associates, LLC

Dear ,

Portfolio Recovery Associates, LLC ("PRA, LLC") has concluded its investigation of your dispute and is closing your account.

If PRA, LLC is reporting this account to the credit bureaus, PRA, LLC requested that the credit reporting agencies delete PRA, LLC's tradeline related to your account from your credit bureau report. PRA, LLC cannot control how fast the credit report agencies process requests.

Sincerely,
Disputes Department
Telephone: 1-800-772-1413

Account Details

Date: 04/24/2019

Account Number: XXXXXXXXXXXXX

eller: CAPITAL ONE BANK (USA) N.A.

Original Creditor: CAPITAL ONE BANK (USA) N.A.

Current Creditor: PORTFOLIO RECOVERY ASSOCIATES, LLC

Balance: \$547.00

Contact Us



Online:

www.portfoliorecovery.com



By Phone:

Call 1-800-772-1413



By Mail:

PORTFOLIO RECOVERY ASSOCIATES, LLC
120 Corporate Boulevard
Norfolk VA 23502

This communication is from a debt collector. This communication is made for the limited purpose of responding to your dispute and is NOT an attempt to collect a debt.

This next example illustrates a Bank of America credit card debt with a balance of over \$8,000 getting invalidated with a debt validation program

Example of a Synchrony Bank Credit Card, Getting Invalidated & Removed From Credit

698 ½ South Ogden St
Buffalo, NY 14206
Tel: (716) 871-9050
Fax: (716) 512-6046
Toll Free: 877-211-5285

15

Capital Management Services, LP

April 29, 2019

Reference #: XXXXXX
Account #: XXXXXXXXXXXXXXXX
Creditor: Bank of America, N.A.
Balance: \$8738.77

Dear [REDACTED]:

We are in receipt of your request to cease collection of your account with Bank of America. Capital Management Services, LP has ceased all collection efforts of this matter.

This communication is from a debt collector.

Sincerely,

Capital Management Services, LP



EGS Financial Care, Inc.
FORMERLY KNOWN AS NCO Financial Systems, Inc.
400 Horsham Road, Suite 130, Horsham, PA 19044
Phone: 877-217-4423 | Fax: 866-830-9469
Hours of Operation: M-F 8:00am-5:00pm ET

April 26, 2019

Re: Our Reference No(s). Creditor(s)
Synchrony Bank
Account No.: XXXXXXXXXXXX

Dear My Pal:

Thank you for your inquiry regarding the above-referenced account. Please be advised that the above-referenced account has been placed in a status to prevent further collection activity by EGS. Further inquiry regarding the underlying debt may be directed to Synchrony Bank/Sam's Club, P.O. Box 965004, Orlando, FL 32896.

According to our files, we have not reported the above-referenced account to a credit bureau. Please be advised that we cannot effect a change to how any other company or entity may have listed the account on your credit profile.

We appreciate the opportunity to respond to your inquiry.

Very truly yours,

Sharon A. Wander
Manager, Operations & Compliance Support

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Calls to or from EGS Financial Care, Inc. may be monitored or recorded for quality assurance.

MSCB Inc.
1410 Industrial Park Rd.
PO Box 1567 Paris, TN 38242
(800)-748-3074 or (731)-644-9551

May 03, 2019

Dear _____,

MSCB, Inc. is in receipt of your dispute regarding the account listed below. The account has been closed from our office. Therefore, we have submitted it to Experian, Equifax and Transunion to be removed from your credit report. If you need any additional information you will have to contact the creditor.

Creditor: Conway Regional Medical Center

Creditor Account:

MSCB Account:

Current Balance: \$528.18

If you have any questions, please feel free to contact me at (800) 748-3074 or (731) 644-9551.

MSCB, Inc. is licensed by the Tennessee Collection Service Board of the Department of Commerce and Insurance.

Thank you,


Joe Gibson
Accounts Manager

Federal law requires that we inform you that this communication is from a debt collector. Calls to and from this office may be monitored or recorded.

7/17/2019



8014 Bayberry Rd.
Jacksonville, FL 32256
(800) 631-6702
www.ercbpo.com/help
Office Hours (Eastern Time):
8:00 AM - 11:00 PM -- M-Th
8:00 AM - 10:00 PM -- F
8:00 AM - 8:00 PM -- Sat.

Re: Dispute and/or Validation Request

ERC® Reference Number: [REDACTED]
ERC® Customer: **Barclays Bank Delaware**
Original Client Account Number: XXXXXXXXXXXXX
Original Client: Priceline Rewards Visa Card

Dear [REDACTED],

Our offices are in receipt of your dispute and/or request for validation regarding the account referenced above. This letter is a response to that dispute and/or request for validation in accordance with 15 U.S.C. § 1692g of the Fair Debt Collection Practices Act.

We are unable to provide the requested documentation within a reasonable time frame and as such ERC has ceased all collection activity on this account.

Please contact our office at (800) 631-6702 if you have any further concerns or questions.

James Cecil, Senior Vice President of Operations

North Carolina Residents: North Carolina Department of Insurance Permit Number: 103967.

New York City Residents: New York City Department of Consumer Affairs License Numbers: 1394588, 2048142, 2048143, 2048140, and 2048141.

This communication is from a debt collector and is made for the limited purpose of responding to your notification and is NOT an attempt to collect a debt.

Enhanced Recovery Company, LLC, Doing Business As, ERC®
8014 Bayberry Road | Jacksonville, FL | 32256

| | |
|--------------------|---------------------------------------|
| FMA Alliance, LTD. | 12339 Cutten Rd. Houston, TX 77066 |
|--------------------|---------------------------------------|

07/10/2019

| | |
|---------------------|------------------------------|
| Original Creditor: | First National Bank of Omaha |
| Original Account #: | XXXXXXXXXXXX |
| Brand Name: | |
| Current Creditor: | Crown Asset Management LLC |
| Current Account #: | |
| File #: | |
| Balance: | \$1888.01 |

Dear [REDACTED]:

FMA Alliance, Ltd. is in receipt of your recent correspondence regarding the above referenced account. Further collection efforts are being terminated.

If you have any questions, please contact me at 800-955-5598. The call back person is Timothy C Patton or one of his/her team members.

Hours: Monday - Thursday 8AM to 8PM, Friday 8AM - 5PM and Saturday 8AM - 12PM

Sincerely,

FMA Alliance, Ltd.

This letter is from a debt collector.

Notice About Electronic Check Conversion: When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution.

C15



Midland Credit
Management, Inc.

2507 Midland Drive
Suite 300
San Diego, CA 92108

Phone (877) 231-8885
Hours of Operation Mon-Fri: 9am-4:30pm PT;

Original Creditor Citibank, N.A.
Original Account Number
MCM Account Number
Current Owner Midland Funding LLC
Current Balance \$4,376.39

Henry

T63 008



07-14-2017

RE Citibank, N.A.

\$4,376.39 Client Does NOT have to Pay

Dear Henry,

Thank you for your recent communication. We have reviewed our records and are writing to provide the following update:

We have instructed the three major credit reporting agencies to delete the above-referenced MCM account from your credit file. Please be advised, our credit reporting does not affect any credit reporting of this account by the original creditor. For additional information on credit reporting and tradeline statuses, please visit the following website:
<https://www.midlandcreditonline.com/help-center/assistance-faqs/>

We have closed your account and ceased collections. You have no further obligation regarding this account.

In the meantime, as requested by you, we will no longer be contacting you regarding this account by phone or mail unless it is to further respond to this dispute by you.

Please call Consumer Support Services at (877) 231-8885 if you have any additional questions.

Sincerely,

Tim Bolin

Tim Bolin, Division Manager
Consumer Support Services

This next Bank of America, credit card debt, was over \$10,000. The debt was disputed, and the consumer was able to walk away from it without paying legally.

698 1/2 South Ogden St
Buffalo, NY 14206
Tel: (716) 871-9050
Fax: (716) 512-6046
Toll Free: 877-211-5285

Capital Management Services, LP

August 30, 2018

Reference #: XXXXXXXXXX
Account #: XXXXXXXXXXXX
Creditor: Bank of America, N.A.
Balance: \$10,763.41

\$10,000+ Client
Does NOT
Need to Pay

We are in receipt of your request to cease collection of your account with Bank of America. Capital Management Services, LP has ceased all collection efforts of this matter.
This communication is from a debt collector.

Sincerely,

Capital Management Services, LP

Next, a financial company debt that exceeded \$12,000 gets proven to be invalid, and the consumer walks away without paying.

| | |
|--------------------|---------------------------------------|
| FMA Alliance, LTD. | 12339 Cullen Rd. Houston, TX 77066 |
|--------------------|---------------------------------------|

08/27/2018

Financial Company **Loan Resolved With** **Validation**

| | |
|---------------------|----------------------------|
| Original Creditor: | Prosper Funding LLC |
| Original Account #: | XXXXXXX |
| Brand Name: | Contract |
| Current Creditor: | Crown Asset Management LLC |
| Current Account #: | XXXXXXX |
| File #: | XXXXXXX |
| Balance: | \$12255.84 |

Dear

 **\$12k+ Resolved**

FMA Alliance, Ltd. is in receipt of your recent correspondence regarding the above referenced account. Further collection efforts are being terminated.

If you have any questions, please contact me at 800-955-5598. The call back person is one of his/her team members.

or

Hours: Monday - Thursday 8AM to 8PM, Friday 8AM - 5PM and Saturday 8AM - 12PM

Sincerely,

FMA Alliance, Ltd.

This letter is from a debt collector.

Notice About Electronic Check Conversion: When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution.