

If you're buried in Credit Card Debt and Don't Know What to Do

At this point, it can feel as if you hit a brick wall. But the good news is, debt validation can offer you a solution.

Just remember, it's not your fault that financial hardship occurred.

Medical conditions, divorce, loss of income, these incidences are all unexpected in most cases.

Ordinary people don't plan to save for unforeseen medical expenses – or divorces – or layoffs. So, when these types of conditions occur, people are caught off guard, and often use credit cards to pay the bills.

Eventually, the credit card payments become overwhelming, and at times unmanageable. Even worse, people will pay only minimum payments and never get out of debt due to high interest.

Let's look at the pros and cons of the different debt relief options out there.

Once we explain all available options to people, most will choose Debt Validation.

Validation will expose your creditors if they are illegally attempting to collect on a debt.

Here's an example: **The consumer used debt validation to resolve a Bank of America credit card debt that had a balance of over \$10,000.**

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 #: XXXXXXXXXXXXXXXX
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

Debt validation allowed this client to walk away from having to pay over \$10,000 on a Bank of America credit card account.

Using debt validation, this next client was able to get out of almost \$20,000 in credit card debt that was owed to Wells Fargo.



Radius Global Solutions LLC, formerly Northland Group LLC

Phone: 1 (888) 287 – 5711

Payment Address: P.O. Box 390846

Minneapolis MN 55439

General Business Hours M-F 8 a.m. – 5 p.m. CT

SEP 27 2018

\$18,600 on a Wells Fargo Credit Card – RESOLVED

Re: Radius Reference #:
Wells Fargo Bank, N.A.

Original Account#*****

Dear

Radius Global Solutions has received your correspondence regarding the above referenced account. Please be advised that the above account has been closed with Radius.

In regard to credit reporting, Radius does not report any information to the credit reporting bureaus and has not reported the above account to your credit profile. Furthermore, Radius cannot affect a change as to how any other company or entity may have reported the account.

For further information regarding the account, please contact Wells Fargo Bank, N.A. at 1-800-272-1514.

Sincerely,

Radius Global Solutions

This is a communication from a debt collector.

No Negative Credit Reporting

What type of debt qualifies for a debt validation program?

- Citibank, Capital One, Wells Fargo, Bank of America and almost all credit card debt besides for Discover (Discover could be included on another plan)
- Medical bills and third-party debt collection accounts that have a balance of over \$5000.
- Almost any type of unsecured debt, including bank loans that have gone to collection status
- Financial company loans like Prosper

This next client was able to resolve a high-interest personal loan from Prosper Funding, in the end, not having to pay it. The total debt amount was allegedly for \$12,255.84. After getting disputed with validation, the collection agency immediately agreed to stop collection on the account.

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 #:	XXXXXX
Brand Name:	Contract
Current Creditor:	Crown Asset Management LLC
Current Account #:	XXXXXX
File #:	XXXXXX
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.

Here's another example of a medical bill that was disputed and resolved by validation.

AARGON COLLECTION AGENCY

8668 SPRING MOUNTAIN RD
LAS VEGAS, NV 89117

(702) 220-7037

DATE 9/4/2018

Account Number
Supplied Account

RETURN SERVICE REQUESTED

To:

Re: **The Queen's Medical Center**

Dear

This letter is to confirm the above mentioned account has been closed and there is no balance due to Aargon Collection Agency.

Please contact me should you have any questions.

Sincerely,

Jay Donaldson
Collection Manager

Medical Collection
for
\$1,900-Disputed &
Resolved

Why does debt validation work for so many kinds of debt, with just about any consumer?

Have you heard the story about Felicia Tancreto?

American Express claimed that she owed \$16,000 in credit card debt and even went as far as issuing her a credit card summons.

Noach Dear, a civil court judge in Brooklyn, later dismissed the lawsuit, citing a “lack of evidence.”

The American Express employee who testified “provided generic testimony about the way the company maintained its records. The same witness gave similar evidence in other cases.”

Following this case, it was concluded that **“90 percent of credit card lawsuits are flawed,” meaning, creditors can’t prove that a person owes the debt.**

Judge Dear stated, “Lenders are churning out lawsuits without regard for accuracy and improperly collecting debts from consumers. The concerns echo a recent abuse in the foreclosure system, a practice known as Robo-signing.”

Banks use Robo-signing to produce similar documents for different borrowers, without reviewing them, leading to inaccurate information.

As of 2018, lenders across the nation are facing significant scrutiny.

According to an article in the Washington Post, amongst other sources, “The Office of the Comptroller of the Currency is investigating JPMorgan Chase after an ex-employee revealed that nearly 23,000 past-due accounts had incorrect balances.” This investigation has been ongoing since 2011.

If your number one goal is to stay current on credit card payments, without even a temporary dip in your credit score, debt validation is not the right option. Let’s look at debt-relief options that don’t require you to be delinquent on payments. We will then continue talking about debt validation benefits below.

But in the meantime, keep this in mind if you are considering debt validation:

- 1.) Your credit score has already been adversely affected if your credit cards are all maxed out due to high balances. Therefore, people seeking debt relief are often past the point of being concerned with their credit getting affected.
- 2.) Credit repair is part of the program.
- 3.) It only works because creditors so commonly engage in illegal practices.

Debt Relief Programs That Don't Hurt Your Credit Score:

- **1.) Can I pay a credit card with a credit card?**

Balance transfer cards offer you another way to consolidate debt. You can use a balance transfer card that offers a 0% interest rate for up to 18-months. If you pay off the balance within that 18-months, you can eliminate all interest.

Interest is a silent financial killer. Don't let yourself fall victim to it.

Keep in mind, with balance transfer cards, you will pay an upfront fee that will cost approximately 3%-5% of the total debt amount transferred onto the card. If you transfer \$100,000 of credit card debt onto a balance transfer card, you could owe a \$5,000 upfront fee.

- **2.) Should I get a consolidation loan?**

Debt consolidation plans offer you minimum savings because you are only saving money on interest, at best.

How and Where to Get Loans For High Credit Card Debt:

- Must-Have a 700+ Credit Score to qualify
- Try to get one from a bank or preferably a credit union (due to low rates)
- Avoid most online lenders, due to high fees (example: Lending Club and PayPal Loans for high credit card debt, come with high interest and additional fees)

- **3.) Should I use Consumer Credit Counseling?**

Besides using a loan to pay off debt, you can use a consumer credit counseling program that won't negatively affect your credit score. However, this is another program that offers only partial savings.

More information on Consumer Credit Counseling

- 1.) This plan is only for credit card debt.
- 2.) You can become debt-free in 4.5 years

When it comes to debt relief, very few people choose these plans. You can save more on debt validation and negotiation.

How to Pay Off Credit Cards Fast?

When this question is asked, most debt relief companies quickly spill out some pitch about debt settlement.

The T.V. and radio ads that say “Call to Get Your Debt Forgiven” are referring to a debt settlement program.

But a debt settlement program should only be a last resort, used to avoid bankruptcy. After you settle a debt, your credit report shows the late and collection marks for up to seven years.

Since this program is so popular, let’s talk about this option first.

Debt Settlement to Pay-Off High Credit Card Debt Fast

Debt settlement services let you pay off an unsecured debt for less than the full balance owed.

You get additional protection when using a law firm to settle your debt.

There are two main reasons why:

1. If your creditors are told that an attorney is representing you, according to the Fair Debt Collection Practices law, they must now direct all communication to your attorney.

Since you won’t have to deal with creditor harassment, you will have additional relief.

2. Credit card companies and debt collectors violate peoples' rights all the time.

Why does this benefit you as the consumer?

When using a debt settlement law firm, the law firm educates you on consumer laws and debt relief.

The law firm will train you on how to spot and report any legal violations that your creditors commit.

An attorney can then use these legal violations as leverage when negotiating to reduce a debt.

Attorneys can also sue a debt collection company for an FDCPA violation, where you could get awarded up to \$1,000 per violation.

In some cases, an attorney can even use legal violations to get a debt dismissed, which only an attorney can do.

Debt Validation: The Program with Highest Savings

A debt validation program potentially lets you pay much less than if you were to settle a debt.

Debt validation can also get the debt and its associated negative marks removed entirely from your credit report.

Here's a debt validation example letter:



Midland Credit
Management, Inc.

4200 INTERNATIONAL DRIVE
Suite 300
San Diego, CA 92108

Phone

Hours of Operation

Mon-Fri: 5am-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.

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

Notice the creditor agreeing to release \$4,376.39 of credit card debt and remove the entire debt from Experian, Equifax, and Transunion credit reports.

How debt validation can help you deal with credit card debt:

Debt validation challenges each of your debt collectors, forcing them to prove that they are legally authorized to collect on a debt.

Validation isn't saying, "I never spent the money." Debt validation is just making sure your creditors are abiding by the laws.

It's difficult to imagine, but most of the time, a debt collection company can't prove that they are legally authorized to collect on the debt. By disputing it, you are now forcing them to determine the debt is valid. Otherwise, the collection agency will need to cease collection activity on the account. If they don't agree to stop all collection efforts, the collection agency could get sued for illegally collecting on a debt. Rather than getting sued, they quickly decide to discontinue collection, as shown here:



Midland Credit
Management, Inc.

2365 Northside Drive
Suite 300
San Diego, CA 92108

P6T126 004



Original Creditor
Original Account Number
MCM Account Number
Current Owner
Current Balance

Synchrony Bank

Midland Funding LLC
\$938.31

08-30-2018

RE Synchrony Bank Dicks Sporting Goods

Dear ,

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

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,

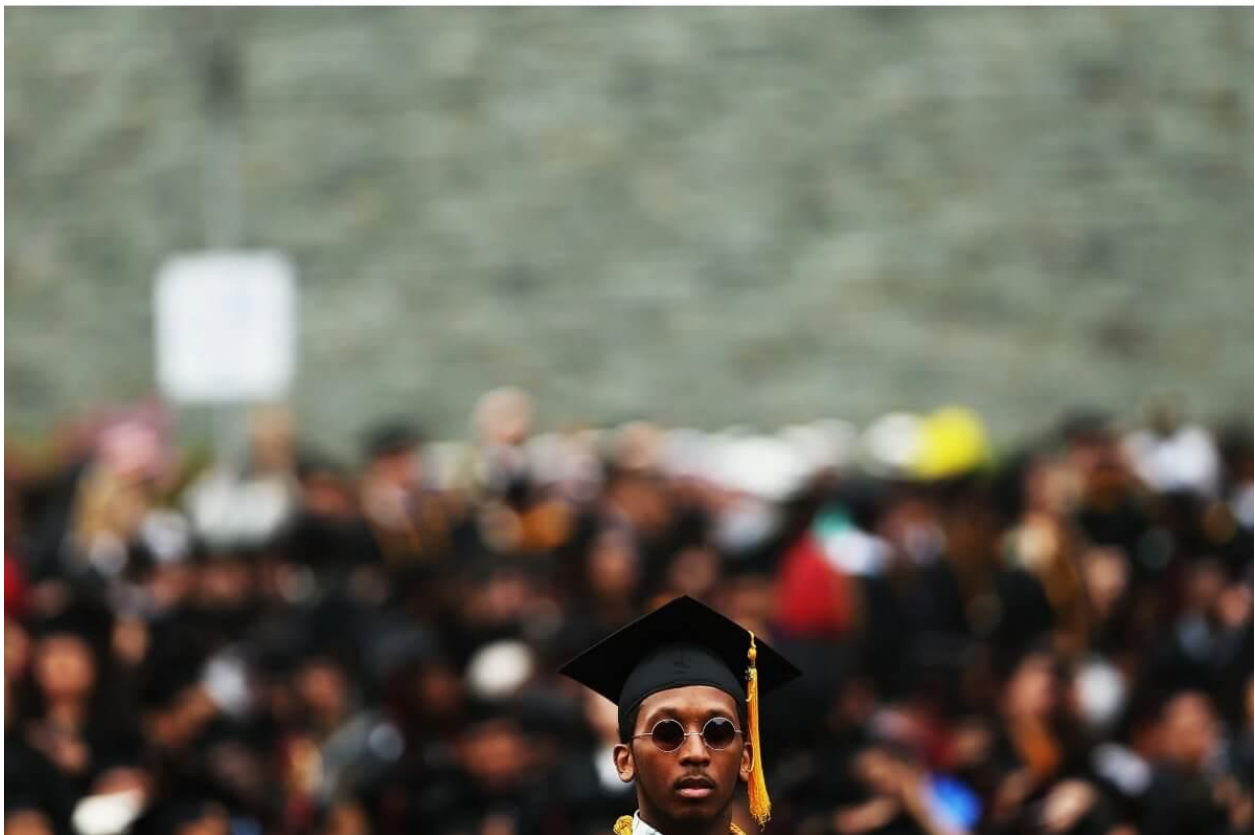
Tim Bolin

Tim Bolin, Division Manager
Consumer Support Services

The New York Times recently reported, “Billions of dollars in student loans may be wiped out for tens of thousands of borrowers in the U.S. because a lender didn’t keep track of the paperwork verifying ownership of the loans.”

The New York Times

***As Paperwork Goes Missing,
Private Student Loan Debts
May Be Wiped Away***



Similar to how if you get a speeding ticket, and was genuinely speeding, but yet a lawyer could get the ticket dismissed.

The same concept gets used with debt validation. You may have owned the credit card at one point and used it to purchase items. Still, if the collection agency can't produce the legal documentation and accurate material that they are legally obligated to maintain and produce upon being requested through a validation program, the debt becomes invalid.

This program is truly one of the most effective options to deal with credit card debt in 2019 due to the corrupt nature of collection agencies.

But don't I have an obligation to keep paying every month?

If you want to and you are able, you can. However, keep in mind how the debt collection process works – the original creditors get their money either way.

If your accounts are already in collections:

This means that a company that you never signed a contract with, never agreed to do business with, is trying to get money from you. Whenever asked, they are legally required to be able to provide certain proof of their right to collect from you – and they don't have it.

The people you agreed to do business with (your original creditor—the credit card company) has already received reimbursement for the debt by their insurance, also through tax credits and refunds, and they made an additional profit when selling the account to the collection agency.

You couldn't even pay the original creditor if you wanted to.

If your accounts are still with the original creditor (for example, a bank):

You should know that they have insurance on the account, and you've been paying for it.

Part of every payment you make goes to their insurance.

Now, if you pay for car insurance every month and someone hits you, then you file a claim.

Well, in this case, you've been hit by circumstances you didn't know were coming.

If you let your accounts go delinquent, the bank will still get their money.

In some cases, it will come from the insurance that you were already paying for them.

Many people feel they still ought to keep making their scheduled payments, come what may, even if their current situation is entirely unsustainable.

However, the federal government has consumer protection laws to protect people from having to keep struggling.