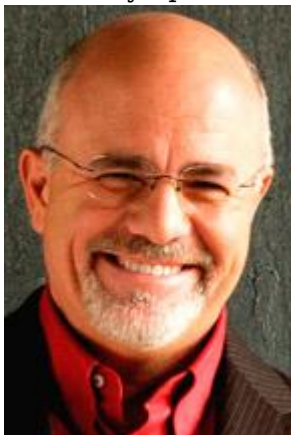


Don't react to debt collectors with fear, panic

written by Special to Arkansas Catholic |



Dave Ramsey

Dear Dave,

I got a call from a debt collector regarding \$2,000 I owe in medical bills. I'm trying to get my finances in order and pay this off, but I'm afraid they'll follow through on their threat to garnish my wages. Can you give me some advice?

Mike

Dear Mike,

First, I want you to take a deep breath and calm down. Debt collectors like to play on your emotions because they think you'll give in and do something you can't really afford to do. Most of them don't care about you or your situation as long as they get some money.

They won't garnish your wages because they can't. They would have to go through the formal, legal procedure of first suing you and then winning the case. They broke federal law by saying they would garnish your wages but hadn't sued you. If I'm in your shoes, I'd be filing a complaint against these bozos with the Federal Trade Commission.

Don't react with fear and panic in the face of debt collector threats. Talk to them and explain your situation. See if you can work out a compromise. If they get nasty or break federal law again, let them know you'll be filing another complaint with the FTC. You'd be surprised how reasonable these people can be when faced with the possibility of government intervention.

In the meantime, do everything you can to scrape up as much cash as possible. Have a big garage sale and sell everything in your attic or basement you don't need. Then, when you get this mess cleaned up, pay off the rest of your debts — if you have any — and start living on a written monthly budget!

— Dave

Dave Ramsey has five New York Times best-selling books. "The Dave Ramsey Show" is heard by more than 8.5 million listeners each week on more than 550 radio stations. Ramsey's latest

project, EveryDollar, is a free online budget tool.