

Negotiating With Creditors

To effectively negotiate with creditors, you need information. Start by getting organized.

1. Get each point of debt (creditor) on paper. Write down how much you owe to whom.
2. Search billing records of each creditor and try to determine your principle-purchase totals and your penalties & interest totals. It's not likely that you'll be successful negotiating down principle purchase amounts that have not been paid. However, you may have some success negotiating down your interest and penalties totals. If you don't have or can't find past bills, see if you can access previous histories on line. Don't call and ask creditors for the information. They won't be eager to help you if it's going to cost them money.
3. Figure out what you can afford to offer to pay creditors; Make out a budget. Know how much money is coming in and how much is going out. Determine how much you have left to use to pay toward all your creditors.

With your information organized and in hand you can try to work with each creditor to do the following:

1. Freeze penalties and interest.
2. Negotiate down interest & penalties totals or eliminate them.
3. Set up affordable payments

Other helpful tips:

1. Be polite; they don't have to deal with you at all.
2. Be honest; you won't have to remember your 'story'.
3. Be short and sweet; cut to the chase as quickly as you can.
4. Be fair; be ready to pay the principal purchase portion of your debt and part of the penalties and interest charges. Creditors don't have to give in to you at all so, start by offering 10% more than what a bankruptcy court might offer.
5. Know what you can afford to pay and don't succumb to pressure to go any higher; wanting and wishing you can pay more won't make it a reality. If you can't afford their best offer, politely ask to speak with someone else or end the phone call.
6. Don't give them any bank account information AT ALL, NEVER, EVER.
7. Don't give them a post dated check, AT ALL, NEVER, EVER. It's illegal and they have the right to cash it ASAP which will throw you into chaos.
8. Do NOT say the following nor allude to the following; but know the following because they do: In bankruptcies, creditors are not usually awarded interest; they are usually offered a reasonable payment schedule of principle purchase totals.
9. Get it in writing when you have an agreement that you know you can live with. Do NOT agree to anything that you are not completely and wholly confident that you can be faithful to and afford. You do not want to compromise future negotiations.

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For more information about Linda Durham and Organizing Matters; www.OrganizingMatters.com

For more information about debt negotiations: www.fair-debt-collection.com.

For information on financial freedom: www.DaveRamsey.com

See next page for Debt Repair Phone Log form adapted from the Debt Repair Phone Log on the Fair-Debt-Collection web site. You can print one for each creditor to help you keep good records of your negotiations.

Name of Company: Telephone Number: Company Fax Number:	Company Address:
Type of Account:	Account Number:
Payment Due Date:	Regular Payment Amount:
Amount Past Due:	Reduced Payment Amount:
Record Calls Here: Date: _____ Time: _____ Person I Spoke With: _____ Main Points of Conversation: _____ _____ _____ _____ _____ _____ Follow Up Date: _____ ~*~ Additional Notes: _____ _____ _____ _____ _____ _____	