



DCSD

## Debt Counsel for Seniors & the Disabled

### Reminder - New Changes Coming in January 2011!

This is just a reminder that if you do not bank at ABC Bank by January 1, 2011, you will be charged the annual \$25 surcharge beginning in January 2011. The need for this surcharge was explained in the October newsletter. If you need a copy of that newsletter, please call our office and request that another one be sent to you. These are some of the questions that we have received regarding this change:

1. **What if I don't have a bank account?** If you do not have a bank account, please send us a letter stating that you do not have a bank account anywhere with your name or Social Security Number on it and we will waive the \$25 charge.
2. **What if I have a Diamond Bank account?** Diamond Bank (DB) has advised us that, due to new management, they will not protect our client's bank accounts from bank freezes. Therefore, we suggest that all clients with DB accounts transfer to ABC Bank. You can call the office and we will send you an application. Also, if you want to transfer your funds to ABC Bank from DB, you can ask DB for a letter certifying that all funds deposited into your DB account in the past six months have been from Social Security or pension monies. When you receive the certification letter, please forward it to DCSD.
3. **How will I be billed for the \$25 surcharge?**
  - ▶ If you currently have your monthly payment taken **electronically** each month, we will send you an authorization slip in December to sign that authorizes us to automatically deduct the extra \$25 in January.
  - ▶ If you send in your monthly payments, we will send you a letter in December reminding you to send in the extra \$25 with your monthly

payment in January. The \$25 surcharge will be included in your January statement.

4. **If I want to switch my account to ABC Bank, how do I do it?**

**Step 1:** Call 800-992-3275 and ask that an ABC Bank application be mailed or e-mailed to you.

**Step 2:** Complete the application and mail it to DCSD, 542 S. Dearborn, Suite 1260, Chicago, IL 60605. Include a copy of your driver's license or state ID.

**Step 3:** You will be contacted within 7-10 business days with your new bank account information.

**Step 4:** Once you have your new bank account and routing number, you can call Social Security at 800-772-1213 and ask for a change of banks in direct deposit. **Please note that monies that you may have in your local checking account cannot be deposited to your new ABC Bank account.**

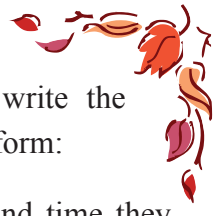
**Step 5:** Social Security will notify you when your first deposit will go into your new ABC checking account. If you need to transfer other exempt funds (pensions, disability, etc.) into your new ABC account, repeat step 4.

**Step 6:** Call DCSD at 800-992-3275 ext. 1501 to update your ABC banking information so we can continue to withdraw your monthly retainer fee.

**Step 7:** Before closing your old account, make sure that all of your transactions have been cleared.

5. **If I live in Illinois, will my account be protected by ABC Bank?** There was some confusion regarding whether or not ABC Bank would allow a bank freeze on clients who live in Illinois. That has been resolved and **all DCSD clients will be protected from bank freezes by ABC Bank.**





## ***Federal Fair Debt Collection Practices Act – What it Means to You***

As you know, we monitor your accounts for violations of the federal Fair Debt Collection Practices Act (FDCPA). Under this law, if a third party collector (collection agency, attorney, or junk debt buyer) violates your rights, you are entitled to monetary damages. The FDCPA allows a maximum recovery of \$1,000 per violation, though most clients whose rights are violated receive between \$300 and \$500.

The most frequent violation is the violation of the cease and desist order and letter of representation. First a collector is advised that the debtor is represented by counsel and not to contact the client. Then the collector ignores these requests and contacts the client anyways. This is a violation of the FDCPA. So, whenever you receive any correspondence from a collector, it is important to send it to us as soon as possible. We will notify the collector that you are represented by an attorney and to cease contacting you. If you continue to receive phone calls from that collector after we have

notified them of our representation, write the following information on your call log form:

Date, name of caller, phone number and time they called.

At the end of the month, send that list to us and we will review it for any potential violations. Additionally, if you receive any written correspondence from that collector after we have contacted them on your behalf, send a copy of the letter in to our office as soon as possible and we will review it as well for potential violations.

Another frequent violation occurs when collectors leave voice mail messages on your answering machine. The following are common FDCPA violations in a voice mail: the collector does not identify the name of the company or law firm that the collector is calling from, or the collector does not announce that “This communication is from a debt collector”. Keep a copy of these voice mails and call our office. We will tell you what to do next.



## ***Beware of Creditors Trying to Collect Old Debt***

All of our clients feel guilty because they cannot pay their debts. Your creditors know that you feel guilty, so they prey on your guilt into paying some amount toward your debt. **BEWARE.** If you let them make you feel guilty, you may try to ease your guilt by paying a small amount. You might believe they will think better of you because you are at least trying to pay. However, **DO NOT** let them take advantage you like this.

The minute you pay some amount, no matter how small, towards that debt, the Statute of Limitations (SOL) in your state starts all over again. For example, if you live in Texas, the SOL is 4 years. If a creditor has not sued you at the end of four years

after your last payment, the SOL has expired and the creditor cannot sue you, ever. If a creditor cannot sue you, then they can never get a judgment against you. Without a judgment, a creditor can never put a lien on your property, garnish your wages, garnish your bank account or take any of your non-exempt personal property.

If you haven't paid a bill and the SOL has expired, you may still receive collection letters. You may want to send in money to ease your guilt, but if you do, the SOL clock starts all over again! The creditor now has a **new** SOL in which to file a lawsuit. Did you ever think that might be the reason they keep trying to collect from you? The creditors are shamelessly trying to victimize you. But, with this knowledge, you can be strong and stand up to their tactics!

