

A Guide for Dealing with DEBT COLLECTION

WHO IS A DEBT COLLECTOR?

In South Carolina a debt collector is any person who regularly collects debts owed to others. **This includes the original creditor, debt buyers, 3rd party debt collectors and attorneys who collect on a regular basis.**

DID YOU RECEIVE WRITTEN NOTICE?

Within five days of contacting you, the collector must send a written notice outlining what you owe, the name of the creditor you owe, and what to do if you think the debt is not yours.

WAGE GARNISHMENT

Wage garnishment is prohibited in South Carolina **EXCEPT** if:

1. Money is owed to the government;
2. Money is owed for child support;
3. A garnishment order has been entered in another state while the consumer was a resident there but the consumer later moves to South Carolina.



DEBT TIMELINE: KNOW WHAT TO EXPECT

If you miss a required payment, a creditor must give you a "Right to Cure" notice before they can demand payment of the balance or repossess the property.

You miss a payment.



After 10 days, the creditor/debt collector can send the right to cure notice.



You now have 20 days to catch up on the missed payments and make the loan current.



If you "cure" the debt by paying all outstanding payments/ fees, the loan is current.

JUST REMEMBER:

There are LIMITS to the number of notices you have the right to receive and it may differ based on the type of transaction.

IF YOU DIDN'T PAY YOUR CREDIT CARD:

*You are entitled to a notice once every twelve months. If you miss the April payment, receive the notice and cure the default, but default again the following April the creditor must send another notice before trying to collect the balance. If you default again in December, the creditor is **NOT** required to send another notice.*

IF YOU DIDN'T PAY YOUR CAR PAYMENT:

You'll only receive one right to cure notice during the life of the loan. If you default in March, receive the notice and make the loan current, you wouldn't receive another notice if you missed payments again.



DEBT & YOUR CREDIT REPORT

Federal law places limits on how long a negative item can be reported on a consumer's credit report. For example, credit reporting agencies cannot report an account that has been put into collections or that has been charged off more than 7 ½ years after it was reported. For more information on the federal law, contact the SCDCA or the Federal Trade Commission.



CAN I STOP THEM FROM CONTACTING ME AND/OR MY EMPLOYER?

Federal law allows you to write a 3rd party debt collector, telling them to stop contacting you at home. Be sure to send the letter certified mail, return-receipt requested. If you are being contacted at work, either you or your employer can write a letter telling the collector to stop. After getting this letter, the collector can no longer contact your employer except to verify your employment.

REMEMBER: This does not make the debt go away.

A DEBT COLLECTOR CANNOT:

- Use obscene or profane language.
- Deposit or threaten to deposit a postdated check before the date on the check.
- Misrepresent the character, amount or legal status of the debt.
- Send a document that appears to be authorized, issued or approved by a state or federal agency or a court.
- Claim or imply that if the debt is not paid, you will be arrested or your wages will be garnished, UNLESS the creditor is legally allowed to do those acts AND intends to do so.
- A collector may contact you in person, by mail, telephone, or FAX. However, a debt collector may not contact you at unreasonable times or places, such as before 8 a.m. or after 9 p.m., unless you agree.



For more information on protecting yourself from identity theft, visit www.consumer.sc.gov and click Identity Theft Resources.



South Carolina Department of Consumer Affairs
293 Greystone Blvd., Ste. 400 • PO Box 5757 • Columbia, SC 29250
(800) 922-1594 • www.consumer.sc.gov

