

Arizona Bankruptcy Attorney: New Regulations on Debt Collectors

By Arizona Bankruptcy Attorney John Skiba

www.jacksonwhitelaw.com/arizona-bankruptcy

Today in the Wall Street Journal there is an article on new regulations that are being imposed on debt collectors in New Mexico (<http://tinyurl.com/4qcktwl>). The new law requires that debt collectors notify the consumer if the statute of limitations has expired on the debt they are trying to collect on. There are many debt companies that purchase old debts for pennies on the dollar and then use aggressive collection efforts to try and collect anything they can on the debt. The statute of limitations has expired on many of these debts, meaning that enough time has passed that the creditor can no longer sue on the underlying debt.

In Arizona the statute of limitations on a written contract is 6 years. For revolving lines of credit like credit cards the statute of limitations is generally three years. The time limit starts to run when the creditor had the right to bring suit but didn't. Typically around the time when the last payment was made.

While this new law will definitely help consumers and limit what debt collectors can do, there is already a federal law that prohibits these types of actions – the Fair Debt Collection Practices Act (FDCPA). The FDCPA bars a collector from threatening legal action that they know is not possible. Such as threatening to sue you on a debt where the statute of limitations has expired or threatening criminal charges for a civil debt such as a credit card. The FDCPA also bars collection techniques like calling before 8:00 a.m. or after 9:00 p.m., or calling relatives or neighbors about your debt. If you are being harassed by creditors I would be happy to meet with you to determine what your options are. The FDCPA not only sanctions creditors for violating the law, but they require them to pay any attorney's fees incurred in making them stop.

Another way to stop creditor calls is through a chapter 7 bankruptcy filing. If you are having difficulties paying your creditor card debt a chapter 7 bankruptcy filing will stop all collection efforts such as telephone calls and will allow you to discharge the debt.

Bankruptcy John Skiba offers a free bankruptcy consultation to discuss your specific situation. He can be reached at (480) 464-1111.