

## Should I Hire an Attorney to Help Me Collect a Debt

By Tyler Hawkes, Esq.

Almost every company has to grapple with the challenge of managing accounts receivable. It's a never-ending struggle and takes a lot of work to get right. And getting it right pays off. Companies that properly manage their debts through efficient systems and by using the best-rated debt collectors can see their [profits soar](#)—even in recession. Unfortunately, a segment of those accounts cannot be collected through normal company procedures and require the help of someone specialized in debt collection. Below are some reasons why your company should consider turning debt collection over to a debt recovery specialist.

Why should I use a debt collection attorney?

Reason #1: State and Federal laws can punish you if you do not proceed properly in collecting the debt. The Fair Debt Collection Practices Act and other laws limit the tactics that collectors can use to collect a debt. Violators of the Act may be subject to \$1,000 fines for infractions and serious infractions may also grant attorneys fees. This is not something that you want your company wasting time and money on.

Reason #2: An experienced debt collection attorney can file suit, get a judgment, and collect on the lien. Many collection agencies

can work to try to squeeze the creditors for money, but unless they have relationships with attorneys, they will not be able to use the force of the law to enforce the judgment. Attorneys can, and will. Also, experienced attorneys have a feel for when to file suit, when to negotiate, and when to settle. That experience equals more money for our clients.

Reason #3: Many collection attorneys will take your case on contingency—meaning you pay nothing up front. Depending on the amount of your bad debts, the financial strength of your creditors, and a variety of other factors, you may be able to reach an agreement with your attorney to take your cases on contingency. This is good for your company, and helps to line up the interests of your attorney with your own best interests.

These are only a few reasons why partnering with an experienced debt collection attorney is a good idea for any business. If you have any questions, give us a call to help you establish a plan to attack your bad debts.