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A debt is incurred when a person borrows money from a lender against collateral and a promise to return the money along with the interest after a certain period of time. It is always advisable to pay once debts in time. Failure to repay a debt or loan leads to serious consequences and might disqualify a person from further receiving any loan. Repayment default can also lead to the withholding of any Social Security benefit, student assistance and veteran assistance among others. The burden of loan repayment can be eased through consolidation. But sometimes even consolidation of loans does not solve the matter.

Measures to Protect the Debtor

Debt collectors have resorted to several means in order to collect their money, ranging from the use of abusive language to threatening arrest. Many debt collectors have resorted to fraudulent practices such as providing misleading information regarding the outstanding amount. The abundant use of abusive measures resorted to by the debt collection agency lead to the passing of the Fair Debt Collection Practices ActÂ (1978). This act eliminates offensive practices in the collection of debts from consumers and promotes fair debt collection practices. It covers personal, family, and household debts, owed on a personal credit card account, a medical bill, an auto loan, and also mortgage.

Under this Act the debt collector-

Cannot contact the debtor directly if they are represented by a debt collection attorney

Cannot contact the debtor outside the stipulated time on weekdays

Must inform the debtor on their first contacting the consumer regarding their â€œability to challenge the debtâ€• and other basic information

Take or threaten to take the debtorâ€™s property unless it can be done legally

Cannot give false information about the debtorâ€™s credit to a credit reporting company or any other individual

Cannot send a fabricated official document from a court or government agency

Cannot use the name of a non-existent company.

The Fair Debt Collection Practices also enables the debtor to demand the termination of all further communication from the third party collector but it must be submitted in writing. Any problems that the debtor faces regarding debt collector may be reported to their state Attorney Generalâ€™s office and The Federal Trade CommissionÂ Report. In order to ascertain fair debt collection practices the debtor can solicit the services of a law firm. A fair debt collection attorney can protect the debtor from the abuses of a third party debt collector.

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Smith Jhonson is a legal advisor who has good information on a fair debt collection attorney. To know more on a Fair Debt Collection Practices please visits a http://www.consumerlawfirmcenter.com/.

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