

The following strategy can provide you with some tools for the negotiation/pay off process, but keep in mind that it is not a guarantee. As you put this strategy into practice remember these tips. Do not give up if it doesn't work for you right away. Never commit to something that you cannot pay no matter how good of a deal it sounds. Always know up front the maximum funds that you have available to negotiate with.

Getting Organized

Using the Negotiations Log, list your debts from the smallest to the largest. Make sure to include all credit cards, doctors/hospital bills and any other debts from your credit report. Be sure to include the interest that has been accumulated on each debt. (You can find this on your credit report or on your bill statements).

Next, determine how much you are willing or able to contribute to pay down or pay off the debt. Example: you may prefer to pay half of the amount due on each bill, but some people start out trying to settle \$.20 on the \$1 (20%); this is what many, perhaps most of the collection agencies buy your debt for. You will want to write down some key numbers on your Negotiations Log before you make any calls. You will need to pull some of these numbers from your credit report or your most recent bill statements.

Tips for Negotiating

- ✓ Don't give up.
- ✓ Never commit to something that you cannot pay.
- ✓ Know the maximum funds you have to negotiate with.

	Where you can find it?	Example #1
Amount you currently owe	Credit report or current statement	\$4,800
Interest accumulated	Current Statement	\$950
Amount you owe minus interest	\$4,800 minus \$950 (interest accumulated)	\$3,850
20 % of what you owe	\$4,800 times 0.20	\$960
		Example #2
Amount you currently owe	Credit report or current statement	\$4,800
50% of what you owe at 0% interest	Balance paid off in 24 months (payments of \$100 monthly)	\$2,400
		Example #3
Amount you currently owe	Credit report or current statement	\$4,800
Your goal pay off amount	Self-calculated based on other bills you owe	\$1,800
Payment schedule	Based on what you have to work with	Month 1 \$525 Month 2-18 \$75

Adapted from *Love INC of Treasure Valley* materials, Nampa, ID. Adapted with permission, 2017.

Medical Debts

If you have a medical bill that is still in the doctors/hospitals hands, call them right away, before it is sent to a collection agency. If your bill is over \$1,000, ask if they could mail you a Charity Discount Form. If it is under \$1,000 or if you are denied the charity discount, call them and tell them you can only pay [\$20 - \$25] a month. They will ask for higher amounts; can you do \$100 or \$75 and so on, but they will work with you. Also ask for 0% interest. **Make sure you negotiate a monthly payment that you can work into your budget.**

**BEFORE
your bill goes to a
collections agency:**

- ✓ Ask for a Charity Discount Form.
- ✓ Tell them what you are able to pay.
- ✓ Ask for 0% interest.

You need to talk to a person not the automated system. Be honest with them about the program and what you are trying to do. The doctors/hospitals are likely to work with you if you are consistent with your payments. Later on, you can always pay it off completely or raise your monthly payment if you have more space in your budget. You will find at the end of the year a few doctors/hospitals will send you a form saying they have written off your bill and you will owe them nothing more.

The Phone Call

1. Stop and PRAY.
2. Take a deep breath before you get started.
3. Write down the date/time and start with the creditor on the top of your list (the smallest amount owed).
4. Remember, you do not have to settle on the amount they want the first time you call, or the second, or the third! The debt is already there-it isn't going anywhere!

REMEMBER!

You do ***NOT*** have to settle on the amount the first time you call.

You may find the following scripts helpful as you make your phone calls.

"Hi my name is _____, and you are?"

"I'm wondering if you would please help me, I would like to settle my debt with you. I only have a small amount of money to work with, and a lot of people that I would like to try to pay. Would you be willing to work with me? I have \$_____ (goal pay off amount) to spend on this bill at this time." They tend to say "no" or tell you that you need to pay more.

✓ Write down the name and ext. of the person you are talking with.

"The amount of interest that has accumulated on this bill is \$_____ (interest accumulated). If you take off all of the interest the actual amount is only \$_____ (bill minus interest). I can pay off the bill now (if applicable) if you take off the interest. Can I settle the debt this way?"

If they ARE willing to deal with you:

- ✓ Ask them to send you a new bill.
- ✓ When you receive the new bill, pay it immediately.

If they are willing to deal with you ask them to send you the new bill and when you receive it you will write a check immediately to pay it off.

"Thank you for being willing to work with me. Have a beautiful day."

If it's not the amount you have in mind or they won't work at all with you, nicely say:

"I'm sorry; I can't pay that amount at this time. I will call again next week after I have talked with the others I owe, and see if you are more willing to work with me then. Thank you for your time. Have a beautiful day."

ALWAYS!

Remain calm and polite.

Then you can hang up.

Follow-up Calls

Some creditors will try to argue or call you multiple times a day. Have your Negotiations Log with you or in a place that you can get to quickly. Make sure your numbers are all in place and that you have the dates that you called and the people you previously spoke with filled in correctly.

"I called on _____ (date) and talked to _____ (rep's name). They told me _____ (take from your notes). I am calling again to see if I can settle my debt. Can you possibly help me?"

Repeat the strategy from your initial call (above). If the amount is still not close to your pay off amount just tell them once again, nicely:

"I'm sorry I can't pay that amount at this time I will call back next week. Thank you for your time, and have a beautiful day."

ALWAYS!
Get the name and extension of the person calling you.

You need to end the conversation here by hanging up. You should stay calm and collected and you should always be nice. Always say "please" and "thank you."

The Intimidators

You must remember that the people you talk to have been specifically trained to scare you in order to get your money. There will always be those who will try to argue or intimidate you. Remember to stay calm and polite. Below are some of the tactics the "Intimidators" may use, and examples of how you can respond.

Agent: "This will go on your credit report."

You respond: "I am aware of that. This is how I got your number in the first place."

Agent: "Well, I see from your credit report that you don't care about paying your bills."

You respond by reminding them: "Looking at my credit report is not part of your job and is illegal for you to do so."

Or, "Can I please remind you I'm talking to you because I would like to settle this debt with you now, so I do care about paying my bills."

ALWAYS!

Remain calm
and polite.

If they are still nasty with you calmly wait for them to finish their rant. There are a few that will try to talk over you, get you mad and make you feel bad, but when they are finally quiet, NICELY say, "Thank you for your time. I will call back next week and see if you are willing to be reasonable then, have a beautiful day." Then quickly hang up.

Remember to let them finish their rant and please do not take these stranger's words to heart because they will be hurtful. It is their job and what they have been trained to do; it doesn't mean they are bad people. They tend to get very upset when you have your act together and you know how much your debt and interest really is. Make sure you always write down what was said, the date, the time, the person's name, and extension or badge number. This is a very good thing to have on hand for the next person you talk to.

Self-Compassion

Remember, you
are doing the right
thing, so don't take
their hurtful words
to heart.

Stay positive in your mind.

You are beginning a new chapter of your life. You are making good decisions and you are following God's Plan. It takes more than a few weeks of calls to get out of years' worth of debt. Be strong! Once the debt starts to decrease you will see a difference in yourself and that feels awesome.