ACCRUED WISDOM
Wisdom is EARNED. Legacy is BUILT.

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Legacy is BUILT.

Financial Education. Real Life. Lasting Legacy.

FINANCIAL FRIDAY
New Video Every Friday!

COLLECTIONS & DEBT SETTLEMENT

Essential Facts at a Glance

CHECK THE NOTICE



Check the collector, creditor, balance and payment history.

Question interest or fees that do not match the agreement or law.

Charge-off does not erase debt.

KNOW YOUR RIGHTS



Dispute errors in writing within 30 days of receiving validation information.

Collection of the disputed amount pauses until written verification is sent.

Keep copies and proof of sending.

OLD DEBT? CHECK FIRST



The lawsuit deadline varies by state and debt type.

A payment or acknowledgment may restart it in some states.

Get legal guidance before acting.

SETTLEMENT EXAMPLE



An accepted offer for less than the full balance.

Get the full terms in writing before paying.

Hypothetical. Acceptance not guaranteed.

CREDIT & TAX EFFECTS



Settlement does not automatically remove accurate negative information.

Canceled debt may be taxable. Exclusions can apply.

$600 is a reporting threshold, not a tax-free allowance.

MAKE A WORKABLE PLAN



Cover essentials first. Agree only to payments that fit.

Compare direct negotiation with nonprofit counseling.

Court papers? Respond on time.

BEFORE SHE PAYS

1. Verify the debt
2. Check old-debt rules
3. Get written terms

A settlement must fit her budget.

WATCH MORE ON OUR YOUTUBE CHANNEL!

Scan to visit Accrued Wisdom on YouTube!

Educational only; not personal financial, legal or tax advice. Rules and circumstances vary.
Sources: CFPB debt collection guidance; IRS Topic 431. | v1 Nov 2026