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# **A Couple Things About Credit Card Debt Settlement For The Elderly And Disabled**

Debt settlement, also known as debt negotiation or debt reduction, is a relatively new way for dealing with your debt problems. In a debt settlement program, by negotiating with a creditor, a client can settle their debts for less than they owe, cutting down the time it takes on paying off the accounts they enroll versus making the minimum payments. Although the opportunity to save thousands off your balances is a great potential benefit, one cannot make payments to their creditors and must instead save cash that will be used as a lump sum offer to be made to their creditors. Since creditors are not receiving payments, they are forced to confront this question: How can I collect the most money from this past due debtor with the least amount of effort and the least total expense to my company? Typically the answer to this question in the minds' of creditors is accepting a lump sum settlement for less than the full balance owed, but in other situations, they determine that the best course of action is pursue the client in court to collect the full balance. After all, creditors are always reserved the right to sue debtors to collect a past due account, regardless of whether the consumer is taking any action to resolve the outstanding debt.

That being said, thanks to highly favorable state and federal debtor laws, the elderly and the disabled are very difficult to collect a past due debt from relative to the average American consumer, even if a creditor has sued them in court and won a judgment.

Consider the following situation. Let's say a creditor has just sued you and won a judgment in court. They now have to execute the judgment in order to actually start collecting the debt. One way a creditor executes a judgment is through wage garnishment. When a creditor garnishes someone's wages, they automatically (and legally) withdraw a certain percentage of that person's wages every paycheck (at most 25% after taxes in most states) until the debt is paid off. Fortunately, creditors cannot garnish Social Security, disability, and some pensions (unless the "creditor" is the mother of your children and she's collecting alimony). This being the case, the creditor would probably look for another way to collect the debt. Levying a bank account is another common method for executing a judgment. Again the elderly and the disabled are protected, presuming the bank account's funds are made up of the deposits from social security, pension, and/or disability benefits. Please note that a creditor may still be reserved the right to put a lien on an elderly or disabled person's property in the event they win a judgment, however. This may depend on their state whether or not they can do this.

A creditor is always reserved the right to pursue legal action to collect a past due debt, even if the debtor is elderly or disabled. However, it makes a lot more sense than in the typical situation for them to accept settlements over legal action because of the protections afforded to the disabled and seniors.

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