

# Secrets To A Successful Debt Defense: What Creditors Won't Tell You, Cowan Law Firm Will Show You

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So you've been sued for a debt. A legal petition threatens to take your assets and garnish your wages. You don't know where to begin in defending yourself. You can't make heads or tails of the dense legal language. The clock is ticking on the deadline for you to file an answer. Yet even if you do know how to prepare one, without legal help, you may end up admitting to claims that could sink your case. One thing you're certain of: You simply don't have the means to pay the amount they claim you owe.

If this is the situation you're facing, you're not alone. It's no surprise that nearly 40 percent of American households struggle with debt.<sup>1</sup> Divorce, job loss, medical issues and countless other hardships take a financial toll, draining savings and plunging millions of Americans into debt.

Debt also has a way of creeping up on responsible, hardworking Americans who make regular payments. A single missed or late payment can send your interest rates skyrocketing. Even while you make payments, the debt continues to pile up as the bank takes advantage of your situation. You may throw every penny you have at the problem but still only tread water or sink further into debt.

Credit card companies and consumer lenders make it easy to borrow large sums of money. For many, these options may be the only way to make ends meet during a difficult time in life. But once the interest starts to accrue, what started out as a reasonable amount of debt soon multiplies exponentially. An already bad situation becomes much worse. Eventually, you may find yourself holding a court summons, wondering how things went downhill so fast.

Crushing debt has a way of taking over. It affects not just your financial outlook but also your peace of mind. It can lead to a cascade of consequences, from repossession and foreclosure to bankruptcy.

Here's the good news: A lawsuit doesn't have to spell financial doom for you and your loved ones. You have an important opportunity to make the most of a difficult situation.

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<sup>1</sup> "Many Americans Are Still Struggling Financially," LA Times (Aug. 7, 2014), <http://www.latimes.com/business/la-fi-fed-financial-stress-20140808-story.html>.

With the right strategy, you can potentially get your debt reduced or even eliminated, paving the way to a debt-free future.

### **What *Not* To Do: The Disadvantages Of Two Seemingly Promising Options**

If you are overwhelmed with debt, you are also likely inundated with ads promising fast, easy solutions. It's important to use caution when weighing these options. You could waste valuable time and opportunities — and, ultimately, end up in a far worse position.

The first option you may be considering is bankruptcy. Those selling bankruptcy services usually paint the process with a broad brush, highlighting its possible advantages while ignoring its downsides.

Bankruptcy isn't a cure-all. You can't get rid of certain types of debt — such as student loans — through bankruptcy. If you already filed bankruptcy in recent years, you likely can't reap the benefits of filing again. Additionally, bankruptcy can tarnish your credit for a long time to come.

Another option is debt consolidation. Typically run by private companies, these programs try to entice you with the promise of a lowered monthly payment. Yet they don't always deliver on their promises. They operate by estimating what amount they can settle your debt for, and then collecting that amount from you, keeping it out of your hands. Some below-board companies may disappear after pocketing your hard-earned money. Even if you do end up with a lower monthly payment — which doesn't always happen — you may be stuck with these payments for longer period of time, which means you would ultimately pay *more* than you owe.

Debt consolidation and settlement companies are in the business of turning a profit from consumer debt. Most are large, national companies that operate like a mill. They rarely involve attorneys at any stage in the process. As a result, they don't know the unique circumstances of your debt situation or the legal opportunities you may have to challenge the debt. They aren't local, which means they aren't familiar with the state law and procedural rules that may work in your favor. They don't practice in the local legal system, and they can't represent you in court. All they can do is provide a one-size-fits-all approach that might not be the best fit for your situation.

### **A Better Way: Getting Help From A Qualified Consumer Defense Attorney**

Fortunately, you aren't stuck with the options above. You have a third option: getting individualized, one-on-one help from a consumer defense attorney.

A good attorney can do everything that debt consolidation and settlement companies can do — *and more*. He or she can fight for you through all stages of the legal process,

from the moment you receive the summons until the final outcome and even on appeal, if necessary.

In contrast to the cookie-cutter approach of debt consolidation companies, an attorney will have a vast array of legal tools to help you. For example, an attorney can:

- Serve as your voice and advocate in court
- Identify weaknesses in the creditor's case
- Challenge the debt on legal and procedural grounds, if warranted
- Prepare and file all the necessary documentation for your defense
- Negotiate persuasively on your behalf
- Leverage professional connections with creditors and their attorneys to work out a deal in your favor

A great attorney will know not only the law, but also the parties involved in the lawsuit and their lawyers. He or she will have extensive experience litigating in the local courts — and the insight, reputation and professional connections that come only from long-standing involvement in the legal community. These traits alone can make a significant difference in the outcome of your case.

An attorney will also have the ability to pinpoint the best legal grounds for fighting the lawsuit. When trying to collect on debts, creditors sometimes cut corners. They assume the average person isn't savvy enough to navigate legal technicalities. A lawyer, however, can readily spot and properly raise issues such as:

- Violations of the statute of limitations
- Defects in the service of process
- Lack of legal standing due to confusion over who actually owns the debt
- Evidence that is inadmissible and should be excluded
- Countless other issues that require a trained legal mind to identify

By weaving the strengths of your position into a compelling legal argument, a lawyer can fight to get your debt reduced or eliminated.

At the Cowan Law Firm, our attorney commands a great deal of respect, both in court and in negotiations with opposing parties. He has a strong record of success in defending debtors for nearly 30 years. Put simply, he has what it takes to fight back — and win.

### **How The Economics Behind Debt Lawsuits Could Work In Your Favor**

When creditors file a lawsuit to collect on a debt, their goal is simple. They're hoping to obtain a judgment against you with minimal effort and expense on their part. They're

gambling on the probability that you won't bother to challenge the lawsuit — or enlist a lawyer to help fight it.

When you *do* get a lawyer involved, the creditor is now facing a level playing field. More often than not, the creditor would rather get rid of the debt — even if it means recovering only pennies on the dollar — than invest money, time and effort into litigating a case through trial.

*To you, the amount of money at stake may be crippling. To the creditor, it's just a drop in the bucket.*

Because of this dynamic, the right lawyer can take advantage of the economic realities that weigh in your favor, negotiating a far better outcome than you could have accomplished on your own.

For example, with the help of a lawyer, you may be able to:

- Eliminate the debt entirely
- Reduce the principal dramatically
- Reduce or eliminate interest on the debt
- Extend the repayment term
- Modify other aspects of the debt or loan

### **Another Critical Advantage That Lawyers Provide: Defense *And* Offense**

A consumer defense lawyer offers another advantage you won't find with a debt consolidation or settlement company: the ability to go on the offense when warranted. You may have a claim against your creditors for unfair debt collection practices, usurious interest rates or other illegal conduct.

*At the Cowan Law Firm, we will not only mount a strong defense, but also identify any opportunities to **put money back in your pocket.***

One of the most difficult aspects of debt problems is the constant barrage of phone calls and letters. These tactics are designed to scare and intimidate you. They're degrading and humiliating.

State and federal law place limits on how far creditors can go with these collection tactics. If they violate Texas law, you may be entitled to pursue a claim against them, potentially recovering *triple damages* plus attorney fees.<sup>2</sup> A lawyer can help you determine whether you have a claim.

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<sup>2</sup> Tex. Fin. Code Ann. § 392 et seq.; Fair Debt Collection Practices Act, 15 U.S.C. § 1692

When you have a lawyer on your side, creditors *can't* harass you. In fact, they can't contact you at all; every communication must instead go through your lawyer.

### **What Will It Cost?**

You're likely wondering, with all the services an attorney can provide, is it realistically affordable to hire one? The answer is a resounding yes. In fact, a better question is whether you can afford to *not* hire a lawyer.

The cost of hiring a lawyer is more affordable than you might think. A good attorney, like ours, will apply the skills and insight that come with years of experience to help keep costs manageable. We also offer free initial consultations and flexible fee arrangements so there's no risk to simply contact us.

Additionally, *any* debt relief service provider — whether a bankruptcy practitioner, debt consolidation company or debt settlement firm — will cost you something. Why not put that money toward the highest quality services you can get?

*Given the countless advantages of hiring a lawyer over other alternatives, the question isn't whether you can afford a lawyer; it's whether you can afford the consequences of **not having a lawyer.***

In the long run, your debt problem may cost you more if you *don't* involve a lawyer. The stakes are high in these cases. You could end up with your wages garnished, tax refunds intercepted, car repossessed and accounts frozen.

What's more, the legal process is a minefield for those not trained in its nuances. One small slip-up could cost you your rights. For example, you may have a strong affirmative defense that could tumble the creditor's case, but unless you raise it properly and at the appropriate time, you could lose your right to raise it at all. A lawyer will know how to maximize every fact and point of law in your favor.

At this critical juncture, hiring a lawyer may be the best investment you make.

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### **What To Look For In A Good Consumer Defense Lawyer**

1. **Experience.** Your attorney should have years — if not decades — of experience defending consumers like you against debt collection lawsuits. Without learning the practical know-how that only comes through hands-on experience handling a high number of these cases, your lawyer could overlook important opportunities.

2. **Valuable connections.** A lawyer should have professional relationships with creditors and their attorneys. These connections can work in your favor. For example, whereas you might find yourself perpetually stuck on hold with an overseas call center, the right lawyer will know exactly who to call to get your case resolved.
3. **A local practice.** Your lawyer must understand the nuances of state law as well as local court rules and procedures. A national debt relief company can't offer that level of localized savvy.
4. **A respected reputation.** A good lawyer will earn the respect and recognition of his or her peers. Your lawyer should be well-connected in the local legal community.
5. **Strong litigation and negotiation skills.** A wealth of legal knowledge, while important, amounts to little if your lawyer doesn't have the ability to make a persuasive case. These strengths are at the core of what it means to be an effective advocate.
6. **A record of results.** Your lawyer should have a strong track record of success in handling cases like yours.
7. **Determination.** As your advocate, your lawyer shouldn't hesitate to go to bat for you. Unwavering determination is often what distinguishes outstanding outcomes from mediocre ones.

**At the Cowan Law Firm, our attorney fits the bill in all of these ways.**

### **Facing A Lawsuit? Avoid These Five Common Pitfalls.**

1. **Don't ignore it.** A lawsuit won't simply go away on its own. By failing to respond, you may end up admitting to all the allegations against you. You could even face a default judgment — essentially allowing your inaction to win the case for the creditor.
2. **Don't miss deadlines.** The legal system is notoriously unforgiving when it comes to missed deadlines. The sooner you involve a lawyer, the better.
3. **Don't let shame or embarrassment shackle you.** It's far better to confront the problem now, head-on. Hiding from it will only come back to haunt you later.
4. **Don't throw away important paperwork.** Bills, legal notices and other paperwork may be pivotal in your defense. Keeping meticulous records will go a long way toward giving yourself every advantage.
5. **Don't try to represent yourself.** The legal system is far too complicated to navigate alone. You could end up missing critical opportunities for a successful outcome. For example, if part or all of your debt gets forgiven, you may have to pay taxes on the amount forgiven. A lawyer will know how to avoid these tax burdens. He or she will look out for your interests through all stages of the case.
6. **Contact us.** At the Cowan Law Firm, your initial consultation is free of charge, so you have absolutely nothing to lose by getting us involved as soon as possible.