

# CORD

---Collaborative Organizations Responding to Dislocation

October 1, 2009

## DEBT-COLLECTION METHODS BEING WATCHED

### Inside This Issue

- 2 Prepare for an Interview?
- 3 Useful Websites
- 3 Free Mortgage Counseling
- 3 Variety of Classes Offered
- 4 MSSC Training Offered

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*"This system is not designed to have people knowing their rights..."*

*--Dick Rubin,  
Zombie Debt Expert*

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Some debt-collectors have plunged to methods so low that they might seem unbelievable. Still others use methods that coerce those who owe into waiving rights that they don't even know they have. Whatever the case, debt collection is an industry that is under close scrutiny by governmental agencies, and rightly so.

Not all debt collectors are out to wring your last cent. Many are scrupulous, above-board organizations that are attempting to collect in humane, legitimate ways. But on the heels of the recently-enacted credit-card reform movement in Washington, D.C., the Federal Trade Commission (FTC) has joined with several states to strengthen consumer protection and reveal the underhanded methods of some (especially junk) debt collectors.

Those firms who attempt to collect 'junk debts' buy up millions of discharged accounts from lenders each year. Those are loans that a bank has written off for tax loss purposes. They then run computerized Social Security traces to locate debtors and 'work them over' into waiving statute of limitation rights on old debts and collecting on them.

Those firms can legally try to collect those old debts. The 30-year-old consumer protection laws gives consumer rights, but doesn't guarantee that debt collectors inform people of those rights. So some debts might be beyond the statute of limitations—and you wouldn't know that. "This system is not designed to have people knowing their rights, but to dupe people into waiving their rights," said Dick Rubin, 'zombie debt' (debt that never dies) expert. Also be wary of non-local 'officially-sounding' companies making offers to help, especially those where you must make upfront payments.

In an example in Georgia, a \$5,000 debt was boughten by a company for \$100. The debtor paid \$200, then had another \$700 taken out of her bank account without her permission before she stopped getting calls. The company realized an 800% profit, but broke laws in the process, including prohibition from verbally threatening or abusing customers. In fact, they threatened to lock up her husband in jail and take her home. She panicked.

Those types of complaints are jumping, according to FTC records. In 2008, 34% of complaints against debt collectors were for harassment, up 19% from 2007, and 13% said collectors used obscene, profane or abusive language.

Both the FTC and FCC (because of phone use) are proposing reforms. The one segment the debt collectors will most likely fight: letting consumers know that a time-expired debt doesn't need to be paid. Under the Fair Credit Act, consumers have the right to request that collection agencies validate the debt in writing. But be careful—acknowledging an old debt by making a partial payment refreshes the debt, affecting the consumer's credit report.

**(Continued on Page 2)**

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*"Be familiar with the company/business you'll interview with."*

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## PLANNING FOR AN INTERVIEW? PREPARE!

Given the economic climate, even an interview is difficult to obtain, much less the job itself. However, if you are fortunate enough to be able to get that interview, make sure you're prepared. What types of questions will they ask? First off, be familiar with the company/business you'll interview with, imparting information that makes it obvious you know what they're about. In addition, don't be 'thrown for a loop' if you're asked any of the following questions—be prepared and you'll be ahead of others:

- **Why do you want to work here?** This is where knowing about their product or service and operations is important
- **Why should we hire you?** Tell of your experiences and how they could help your potential employer.
- **Why did you leave your previous job?** This may be obvious such as company leaving/closing, but also focus on what you're looking for in a new job.
- **What are your weaknesses?** Minimize them and emphasize your strengths. Focus on professional, not personal traits.
- **What can you do for us other candidates can't?** Again emphasize your experiences, traits and skills.
- **What are your goals?** Think short-term rather than long-term—what are you looking for in a job?
- **What salary are you seeking?** Know the going rate in this area and your bottom line—but if possible, have them tell you the range first.
- **What are 3 positive things your former boss would say about you?** If possible, cite specific examples/quotes from former evaluations.



*Check out the web sites listed to the right that can assist you in working out financial problems---but don't wait until it's too late—do it now!!*

## DEBT COLLECTION (continued from page 1)

Fortunately, for the most part, the Midwest and more specifically the Rock County area have responsible, ethical banking and financial institutions. Generally they are willing to work with those in debt, especially if the process is initiated early. However, those debts that have been sold to other agencies are generally where the problems start to occur. "This is the bottom of the food chain," says Robert Manning, director of the Center for Consumer Financial Services in Rochester, NY. "They have the power to freeze accounts, create collateral damage, and see who responds." But the local financial institutions seem to be more responsive and flexible with those needing assistance—in fact, they're working through a CORD committee to develop ways to assist local persons in need. **(See tips on Page 3).**

Also fortunately for Rock County residents, we have the Consumer Credit Counseling Service. They offer debt management services, pre-bankruptcy counseling with recommendations, bankruptcy discharge and mortgage default counseling. They serve as a party between the creditor and debtor to work out repayment plans, they can help stop calls from creditors, and in some cases, even get interest dropped or lowered. Call (608) 365-1244 for information, or go to <http://www.cccsbeloit.com>. They emphasize that you need to call early—don't wait until it is too late! In addition, the Community Action Program's Mortgage-Foreclosure Counseling Program assists those needing help. Call (608) 755-2470 or 362-9051 (Neighborhood Housing Services, Beloit) or go to their website at <http://www.community-action.org>.

## FREE MORTGAGE COUNSELING OFFERED

To supplement the information contained on pages 1-2 regarding mortgage scams, the U.S. Department of Housing and Urban Development (HUD) offers free mortgage counseling to anyone, regardless of income. You can access them through Community Action (755-2470). Never pay upfront fees. Meet face-to-face with anyone contacting you to ensure they're local/legitimate. Read the contract in total and understand it! Consultants cannot collect money until services have been performed. If you've been victimized by a loan modification scam, call the state's consumer protection hotline at 1-800-422-7128 or the Department of Financial Institutions at (608) 261-9555.

## CLASSES/WEBSITES DESIGNED TO HELP YOU!

### HELPFUL WEBSITES

Following are some excellent web sites that may help your needs:

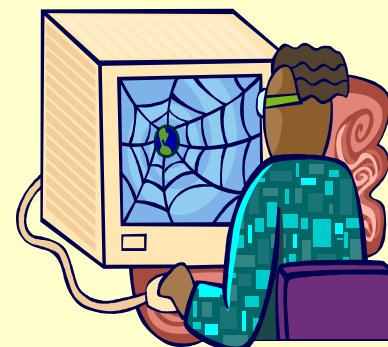
- <http://makinghomeaffordable.gov> – A government program to help eligible homeowners modify and/or refinance the terms of their mortgage to help avoid foreclosure
- <http://www.hedbergpubliclibrary.org/job-resource-home.html> - Contains information about Hedberg Library's Job Resource Center
- <http://www.channel3000.com/money/> - Madison's Channel 3 has a special section on their Web dedicated to financial news and advice
- Also, don't forget the CORD Facebook link located at <http://tinyurl.com/CORDfacebook>

### Pre-Assessment Workshops

- Friday, October 9, 9-11 a.m., Room J
- Wednesday, October 14, 2-4 p.m., Room J
- Tuesday, October 20, 10 a.m.-noon, Room J
- Monday, October 26, 1-3 p.m., Room J

**MSSC Training**—*Manufacturing Skill Standards Council* is an industry-led training and nationally-accepted assessment and certification system focused on the care skills and knowledge needed by the nation's production workers. The nationwide MSSC System, based upon federally-endorsed national standards, offers both entry-level and incumbent workers the opportunity to demonstrate that they've mastered the skills increasingly needed in the high-growth, technology-intensive jobs of the 21<sup>st</sup> century. They meet on the following dates (Thursdays and Fridays)—classes from 8 a.m.-noon and open lab from 1-5 p.m. in classroom A:

Thus., Oct. 1; Fri., Oct. 2; Thus., Oct. 8; Fri., Oct. 9; Thus., Oct. 15; Fri., Oct. 16; Thus., Oct. 22; Fri., Oct. 23; Thus., Oct. 29; Fri., Oct. 30.



*Check out the websites listed to the left for some excellent and timely information*

## CHECK OUT THESE OPPORTUNITIES

There are several **Dislocated Worker** group sessions that may be of interest to you. Call the Rock County Job Center for information or to schedule a session—Julie Funk at (608) 741-3462 or Carol Kohl at (608) 741-3418. (For class descriptions, see earlier issues of the CORD Newsletter).

<b>Jumpstart Your Job Search</b>	Mon., October 5, 9-11 a.m.--Annex
<b>Getting Through the Tough Times</b>	Wed., October 7, 9-11 a.m.-Room H
<b>Resume Writing-Hands On</b>	Wed., October 7, 2-4 p.m.--Annex
<b>Things To Do When The Paycheck Stops Interviewing</b>	Mon, October 12, 9-11 a.m.—Rm. H Tue., October 13, 9-11 a.m.--Annex
<b>Jumpstart Your Job Search</b>	Mon., October 19, 2-4 p.m.-Annex
<b>Resume Writing-Hands On</b>	Wed., October 21, 9-11 a.m.-Annex
<b>Getting Through the Tough Times</b>	Wed., October 21, 2-4 p.m.—Rm. H
<b>Things To Do When The Paycheck Stops Interviewing</b>	Mon., October 26, 2-4 p.m.—Rm. H Tue., October 27, 2-4 p.m.—Annex



Don't forget the **Java & Jobs** sessions every Friday from 10:30-11:30 a.m. at the Job Center Annex, 1795 Lafayette Dr., Janesville. Those days are: October 2, 9, 16, 23 and 30.

### Dislocated Worker Orientation Sessions

- Tuesday, October 6, 9-11 a.m., Annex
- Thursday, October 15, 1-3 p.m., Room K
- Friday, October 23, 10 a.m.-noon, Room K
- Wednesday, October 28, 3-5 p.m., Annex

## BE LEARY OF DEBIT CARD SCAM

The Beloit Police Department is working with at least two local banks to stop a debit card scam affecting area residents.

Sgt. Mark Franseen says several victims have come forward and at least one of them had their debit account emptied. He says potential victims get an automated call from an unknown location indicating they've been locked out of their debit account. They are then instructed to "press one." If the victim follows that instruction, an official-sounding person asks for your credit card numbers. That's when the accounts are compromised.

Franseen says they're currently working with the First National Bank and the M & I Bank in Beloit to identify the scam artists. Although police don't know where the calls are originating, at least one foreign country, Romania, has been identified as the location where money is going.

Police warn not to give out bank account information to anyone over the phone. They also say if you've received a call similar to the one described, call police and your local bank.

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### QUOTE OF THE DAY

"A well-developed sense of humor is the pole that adds balance to your steps as you walk the tightrope of life."

---William A. Ward