“Gunsmoke” and the Key Fact

When I read articles on the internet about seniors with financial problems, I sometimes liken it to watching “Gunsmoke” with the character of Matt Dillon blacked out. It’s all doom and gloom because in most cases the key fact – the main character – is rarely ever mentioned.

What exactly is the key fact for seniors burdened with financial difficulties? It is that income from Social Security benefits, pensions, disability, and VA benefits is protected by federal law. Those sources of income can’t be garnished or taken from seniors. They don’t need to use retirement money to pay old debt. And they certainly don’t need to call a nonprofit debt counselor who will never tell them their income is protected, but instead sign them up for debt management payments that will put them in utter poverty.

Because seniors’ income is protected, they also don’t have to keep an RV they can’t afford – the same with a car or timeshare. Their income is safe and can’t be collected by a creditor. In addition, lower-income seniors can qualify for Currently Not Collectible status with the IRS and get on an income driven repayment plan for student loans, sometimes with no money owed at all.

Even though many seniors retire on very little money, it’s not all doom and gloom because federal law protects retirement income from collection. Sadly, though, the internet is rife with articles written by well-intentioned persons who either don’t know this key fact or leave it out. Reading their articles is like watching “Gunsmoke” and not knowing that Matt Dillon will restore law and order to Dodge City. The most critical piece of information of all has been left out.

by Eric Olsen, Executive Director
WE ALL KNOW THE FEELINGS OF EMBARRASSMENT THAT COME from an awkward situation or faux pas. Usually embarrassment shows a person cares about social customs and doesn’t want to appear foolish or rude, but, unfortunately, sometimes feelings of embarrassment can prevent us from seeking advice or help when we need it because we worry about what other people might think.

However, recent studies conducted by researchers at UCLA and Carnegie Mellon University reveal a helpful strategy to combat embarrassment. “It’s about detaching yourself from the embarrassing situation and realizing observers won’t judge you harshly,” explains Li Jiang, one of the study’s authors and a researcher at Carnegie Mellon University’s Center for Behavioral and Decision Research. This means that to work through an embarrassing experience, you should look at the situation objectively, as though you were a third-party observer rather than participant. Imagine the situation as though other people were involved in it. In most cases, the situation won’t seem as embarrassing.

This research has implications for dealing with other people’s embarrassment as well. Sensitive and compassionate people look at situations through another’s eyes to understand how that person might feel. But regarding the situation objectively can help you overcome worry about another person’s possible embarrassment — for instance, a friend’s embarrassment about their financial difficulties.

This means instead of asking yourself, “How uncomfortable would my friend be if I suggested she call HELPS?” you should ask, “How would a person in financial difficulty feel if a friend suggested a solution?” Clearly, your friend would most likely appreciate hearing about a solution — after all, wouldn’t most people be grateful to find a way out of a difficulty?

We always ask our clients how they heard about HELPS. Quite often, they report a friend or family member found us. Never has a client said, “I really wish my friend didn’t know about my troubles!” Instead, without fail, our clients express gratitude that someone found a resource for them. Don’t allow your fears of possible embarrassment prevent you from throwing a lifeline to a friend who might need it.
LEADING THE IRS’S “DIRTY DOZEN” LIST OF TAX SCAMS is phishing — using email to trick recipients into revealing their personal information. The IRS cautions taxpayers to “be alert to potential fake emails or websites looking to steal personal information. The IRS will never initiate contact via email about a bill or tax refund. Don’t click on one claiming to be from the IRS.”

Another common scam is a caller pretending to be an IRS agent and demanding immediate payment. They might threaten to have you arrested if you don’t pay within a specific period of time. The IRS will never phone you attempting to collect past due taxes. They use the mail only!

Taxpayers beware — don’t be caught by scammers pretending to be the IRS.

What is HELPS?

Are you being harassed by collectors for debts you cannot pay?
Is your income Social Security benefits, retirement, veteran benefits, or disability?
Did you realize that this income is protected by federal law?

Under federal law, when you are represented by an attorney, collectors may no longer contact you by phone or mail. When you enroll with HELPS Nonprofit Law Firm, we send letters to your collectors advising them that we represent you for the purpose of communication. The calls stop! Peace returns to your life. Visit our website www.helpsishere.org and listen to actual clients explain how HELPS changed their lives.

HELPS does not negotiate with creditors, nor do we represent clients in court. HELPS provides an affordable alternative to bankruptcy.

If you have questions or want to enroll, call us toll free at 855-435-7787. We are always available to answer questions. This very day you could have an attorney to represent you to your creditors!
“I have followed your advice about dealing with my credit card debt that I can't afford and also have renegotiated my payments on doctor bills. I can now rest easy knowing that my life is once again under control and I don’t have to worry about credit card debt and student loans draining my savings. What a great job you do giving people peace of mind. I just want the people at HELPS to know it.”

“Thank you very much for handling these problems for my mom and dad. Their quality of life and peace of mind have improved immensely this past year since you have been helping them. Their health is not good, but at least they do not have to worry about aggressive bill collectors!”

-Dave A.

“Your outfit is really awesome! I just wanted to say thank you for standing behind us.”

- Robert N.

“Thank you for making it where I can finally get food and now go to the laundromat. God bless you and those you work with!”

- J. Jones

“Thank you so much from the bottom of my heart. I don’t know what I would have done without the staff at HELPS helping me and guiding me. I bought the used car like you suggested. What a huge difference not to have a car payment. Thank you once again!”

- Betty

“I want to thank you for all the great work the fabulous staff at HELPS has done to assist me with my debt problems. We are doing great. All creditors have stopped writing and bothering us. Even our house has finally sold, and I haven’t received any threatening letters about my H.O.A. fees.”

- Ed D.

“This is the most wonderful call I ever made. I was almost in tears as you spoke with me about the HELPS program. I could not believe that I could actually come out of this horrible state of affairs that I had put myself in by getting too far into debt and losing my income. I call the staff ‘my angels’ because that is what they are!”

- Teresa W.
Payday Loans and Internet Rattlesnakes

Some boys like snakes. Some even keep them as pets. Not me – I was scared of them. As a boy in Arizona hunting with my dad, we once happened upon a rattlesnake. Dad said, “Just walk away, leave it alone, and don’t look back.”

This is also good advice for dealing with internet payday loans. Most of them demand astronomical interest rates, and many of them are located overseas and therefore aren’t subject to U.S. laws.

It’s easy to get trapped in a payday loan’s snare, even with a local payday loan company. However, you can break free. A payday loan is no different than any other loan – you can stop payments and default. It is not a crime to stop paying a payday loan, despite what the lender may tell you. Also, it is unlikely that a payday lender would sue a senior, in spite of their threats. They know that federal law protects Social Security, pensions, VA benefits and disability income from garnishment. Instead, payday lenders, and especially internet lenders, often will rely on aggressive and illegal collection tactics.

Here are some steps to protect yourself from aggressive payday loan collectors:

- **Never talk with them on the phone.** Block their phone number. Don’t answer a call you don’t recognize. If they get through, hang up immediately. You don’t need to talk with them. If you never talk with them, they can’t harass or intimidate you.
- **Keep your bank account safe.** If they have your account number, get a new account so they don’t have access to your funds. If you simply try to stop the payment with the bank, the lender will come back later and attempt to get funds from your account. Get a different checking account number.
- **Delete or block their emails.** Don’t be tempted to read their emails. Internet payday lenders will send emails containing illegal threats that can challenge even the toughest senior.

It’s not uncommon for seniors to get trapped in what seems like an endless cycle of payday loans. It’s important to remember that a payday loan is merely a contract – a contract you can break. For seniors with limited income, sometimes breaking the contract is the only solution. While most collectors honor collection laws, payday loan companies are often the exception, and internet ones rarely follow the law.

If you ignore them and don’t communicate, they will eventually go away. But if they ever do contact you in the future, remember your retirement income is safe. Don’t be intimidated; you don’t need to talk with them. Instead, do as my dad advised: Walk away, leave them alone, and don’t look back.

*By Eric Olsen, Executive Director*
**Question:** IF CREDITORS FOUND OUT I HAD A PART-TIME INCOME, COULD THEY GO AFTER IT? I am a retired pastor living on Social Security and a denominational annuity. Recently, a local church approached me about taking on an associate role one-quarter time. If I did take a job that paid around $1000 a month, would that jeopardize the HELPS strategy with regard to my old debts? We could really use a little more income to keep our ship afloat, but I don’t want to put myself at risk for attacks by a past creditor – especially an unscrupulous one.

**Answer:** **TAKE THE JOB.** First, federal law protects $217.50 net per week in wages from garnishment. That works out to around $950 net per month. Second, a creditor would have to sue you, which is unlikely. Third, they would have to know where you work, which is even less likely. You have minimal chances of a problem arising from the added income. Take the job and don’t worry.

**Question:** CAN A CREDITOR GO AFTER MY HUSBAND’S MONEY FOR MY DEBT? I get Social Security in my account and my husband gets Social Security and a pension in his account. I took my name off his account because I knew I might get garnished. Can a creditor still get my husband’s money? Some bills are from before I got married and some are from after we got married.

**Answer:** **To begin with,** a creditor cannot garnish a bank account unless they have first filed a lawsuit and received a judgment. Second, your husband is not responsible for any debt you incurred before you married. (He could be responsible for medical bills incurred after you were married.) Finally, any account that receives a direct deposit of federal benefits is protected from garnishment. The following video will answer your questions about debt and whether a creditor can go after your husband: [https://www.youtube.com/watch?v=SYAs3qorgak](https://www.youtube.com/watch?v=SYAs3qorgak). Most creditors will pursue only the person whose name is on the debt itself.

**Question:** WHAT HAPPENS IF I AM LATE PAYING PROPERTY TAXES?

**Answer:** **Read this link:** [https://www.nolo.com/legal-encyclopedia/what-happens-if-i-dont-pay-property-taxes-missouri.html](https://www.nolo.com/legal-encyclopedia/what-happens-if-i-dont-pay-property-taxes-missouri.html). “It is common practice for the county to wait until a homeowner’s taxes are three years delinquent before selling the home, though state law permits an earlier sale.” This is typical in most states. You will have no concerns at all.

If you are having difficulties paying your property taxes, learn about your options to avoid a tax sale.
SOMETIMES SENIORS ARE SUED FOR AN OLD DEBT that they have been unable to pay. Someone comes to the door, perhaps a process server or a Civil Deputy from the sheriff’s office, and hands them legal papers. The senior is worried and scared about what will happen. The most common questions are “Will I have to go to court?” “Can my income be taken from me?” and “What do I do now?”

Recently, we received an email from a member of HELPS who had been served with a lawsuit for an old credit card debt. He didn’t know what to do about the lawsuit and was very concerned. Our client explained all the health issues he was going through and closed his email, “I don’t need another thing on my plate at this time.”

We were able to ease his mind with some answers. Here is what we told him that all seniors should remember if they are served a summons:

- You won’t have to go to court; this is not a criminal matter.
- Your income is not at risk because it can’t be garnished.
- Your bank account is protected.
- You won’t have to do anything.

Many seniors owe debt they can’t afford to pay. Although seniors’ retirement income is protected by federal law, it is still possible that a senior might be sued; if this happens to you, remember that you’re not alone. And you don’t need to worry.

When a HELPS client is sued, we send a letter to the attorney representing the creditor explaining the senior’s income is protected. We also send our clients a letter with detailed information on why they will be okay, and we call them to explain why they don’t need to worry.

When we talked with our client who was going through health issues, we reminded him to call us as often as necessary with questions and concerns. We ended the call by telling him, “Don’t worry; this is not on your plate.”

That is also our message to all seniors: your income is protected, even if you are sued. You don’t need to add another worry to your plate.
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