

Finding Peace

**Help
Eliminate
Legal
Problems for
Seniors
and Disabled**

A NONPROFIT LAW FIRM



“BRINGING PEACE TO
YOUR LIFE”

HELPS represents lower-income seniors and disabled persons who owe debt they can't afford to pay in order to stop collector harassment, and educates them on maintaining their financial independence.

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A Beacon of Safety

OVER 5,000 SHIPS HAVE SUNK along the North Carolina coast in the years since the first recorded shipwreck in 1526, earning it the name “the graveyard of the Atlantic.” Opposing currents force ships onto shifting sands, dense fogs obscure the dangerous shoals, and hurricanes drive mariners into shallow waters.



Natural hazards haven't been the only threats along that stretch of coast. Starting in the 1600's, marauding pirates prowled the waters. Ships that didn't surrender immediately were fired on and boarded; sailors were tortured, killed, or held for ransom. Eventually, the navy got serious about subduing piracy, but the biggest help to mariners was the construction of lighthouses. Now, seven lighthouses illuminate the North Carolina coast. Their bright lights penetrate fog and storms, guiding mariners past danger into safe waters.

Seniors often face perils in their retirement years. Rising costs mean seniors have less to live on than they need. Illness and injury can wipe out savings, while the cost of medications can be a strain on tight budgets. Often seniors find themselves with debts they're unable to pay. Debt collectors, like modern day pirates, terrorize them with threatening phone calls.

HELPS offers a beacon of safety for seniors and disabled persons struggling to stay afloat. We educate our clients about the protections available to them under law and shield them from collector harassment.

In this issue of “Finding Peace,” we have included a copy of a HELPS poster. In addition to passing along this newsletter when you are finished reading it, please consider finding somewhere to place this poster. Many seniors are in need of our help, probably some whom you know. We appreciate our clients sharing what we do with others as they deem appropriate.

Please feel free to share this with others after you are finished with it by leaving it at your senior center or doctor's office waiting room.



WARNING!



Signs of Common Scams

EVERY DAY WE HEAR FROM SENIORS who have been targeted by con artists. These crooks will say anything to lure or scare people into giving them money. They're sneaky – and convincing. Here are some of the red flags warning you of a scam.

YOU'VE WON A PRIZE! (We just need a processing fee / gift tax / your bank account...)

Recently a client was notified that he had won \$5.5 million in the Publishers Clearing House sweepstakes. A sweepstakes official made arrangements with him to receive the check at his local airport and have his picture taken. The only thing our client had to do was pay a \$2400 “gift tax fee” in order to receive the check. Overwhelmed with excitement and constantly contacted by the sweepstakes official, our client was convinced he had really won. Once he sent the money, though, he had second thoughts. He called his contact, but there was no answer.

If something sounds too good to be true, it is — especially if it requires a fee. Never pay money for a “prize,” “gift,” or “refund.”

YOUR GRANDCHILD IS IN TROUBLE OVERSEAS! (Please wire money...)

Several months ago, a worried son called about his mother. She had been contacted by her “grandson” who was in jail overseas. He needed her to send money to bail him out so he could come home. A “court official” also got on the phone to verify that this was true. The grandmother went to different Safeway stores to have money sent to where she was instructed. Many of the managers told her they wouldn't do it because they were afraid it was a scam, but she persisted until she found enough stores that would help her send over \$25,000 to get her supposed grandson get out of jail. Of course, it was all a scam.

U.S. citizens arrested overseas contact the U.S. embassy or consulate, not grandparents.

WE'RE THE IRS AND CAN HAVE YOU ARRESTED! (Unless you pay now with a credit card...)

Scammers pretending to be the IRS will call claiming they are filing a court action if you don't make a payment immediately, or threatening you with arrest if you don't pay within a specific amount of time. Their goal is to frighten you into giving them money or protected bank account information. Sometimes they will demand a credit card or suggest you get a prepaid debit card. Recently, instead of phoning, IRS scammers send official looking emails and letters. Sometimes the email might be designed to look like an arrest warrant, supposedly signed by an attorney.

The IRS sends notifications through the mail and will never threaten arrest.

LET'S BE FRIENDS ONLINE! (And eventually I'll need to borrow money from you...)

Recently, we spoke with a widow who had fallen victim to an unscrupulous person's scam. She struck up a friendship over the internet with a male friend. For four months they shared phone calls and emails. She was happy to have what she thought was a good friend. This friendship led her to taking out \$40,000 on her credit cards to help him. She was convinced he would be good for the money. She was convinced his need was real. And she was convinced he would be able to pay the money back. As soon as she sent him the money, her friend disappeared.

Never wire money, make a purchase, or pay a bill for an online "friend" or love interest. The internet is full of scammers preying on kind-hearted and lonely people of all ages.

YOU ARE GOING TO BE ARRESTED FOR A PAST DEBT! (But you can pay us now...)

Daily, we talk to seniors who received a call from someone threatening to have them arrested if they didn't pay a debt immediately. However, the debt isn't identified, or it may be associated with an old, cancelled card. The scammer's goal is to intimidate you into sending them money. Here are two examples of messages that our clients recently received:

- ◇ "You are going to be legally prosecuted in the Court House within a couple of days. Your Social Security number is put on hold by US Federal Government."
- ◇ "I'm contacting you again in reference to the case being filed against you through the county. We will be heading out to your residence within the next couple of hours. You must call us at 888-327-XXXX. When calling, reference your case number ATX 405."

Any threatening phone call filled with legal jargon is a scam. Legitimate collectors will initially send you a collection notice in the mail indicating the source of the debt.

YOUR SOCIAL SECURITY NUMBER IS BEING FROZEN! (Please confirm it or send us money...)

An increasingly common scam is for someone to call pretending to be from the Social Security office in order to get you to confirm your Social Security number. Perhaps someone has applied for a credit card using your number and you must confirm it, or perhaps your number has been linked to a crime, so now it's blocked and you must pay a fee to have it reactivated.

The Social Security office will never, ever call and ask for your number. It will never ask for money or threaten your benefits. Don't give your Social Security number to anyone, and don't confirm the last four digits. And NEVER give a caller your bank information.

These scams are common because they work. If you are unsure about a phone call you receive, you can use this website: <http://callername.com>. Type in the phone number to see if it's a scam. If you receive a suspect email, Google the name of the company to see if it's a scam. Never talk to them on the phone or respond to their email. Block the number and email address if you can. If you receive a suspicious phone call or email, you can call HELPS and we will go over it with you.



Garnishment and Two Types of Protection

FEDERAL LAW PROTECTS SOCIAL SECURITY BENEFITS, pensions, disability and VA benefits from collection, even if a creditor sues and obtains a judgment. In addition, banking regulations automatically protect federal retirement benefits. Here's how the protection works:

Banking Regulation Protection

Banking regulations protect two times the monthly amount of Social Security and federal benefits deposited in an account, regardless of the source of all the funds in the account. This means that if your SS benefit is \$1000 per month, the bank will automatically protect \$2000, even if some of it came from another source. Banks know this rule, even if most people and some lawyers do not.



Federal Protection

If you have more than twice the amount of federal benefits in an account, or if your account *doesn't* contain federal benefits but *does* contain other protected income, the bank won't automatically protect it, but Federal law will. If a creditor has a judgment and files a garnishment against the bank account, you will need to file a "claim of exemption" or "challenge to garnishment" in a state court that issued the garnishment. The form to submit is normally provided to you when a garnishment happens. After you file the claim of exemption, you attend an "exemption hearing" and provide the judge evidence (like a bank statement) showing that the money is protected funds. The court then releases the funds. In the extremely rare circumstance that a HELPS client's funds are held up by garnishment, HELPS contacts the attorney who filed the garnishment and provides proof of the funds' protected status so a client never will need to go to court.

Helpful Hints

Here are some easy ways to prevent issues involving the garnishment of a bank account from even coming up. And remember, there is always a delay between the filing of a lawsuit and a judgment, giving you time to arrange accounts and monies so they are not subject to garnishment.

- ★ Only have one bank account — the account into which Social Security is deposited — and see that the account never exceeds twice the amount of the Social Security deposit.
- ★ Have private or non-federal retirement benefits deposited onto a debit card provided by most retirement accounts. That money can never be garnished and can accumulate indefinitely.
- ★ Do not co-mingle non-protected funds with Social Security IF it means the account will have more than twice the amount of monthly Social Security or federal benefits. Instead, have that money put onto a pre-paid debit card, available from Walmart or Walgreens or any number of other places. Those funds are protected and cannot be garnished.

A Banking Alternative

SOMETIMES A BANK ACCOUNT ISN'T THE BEST OPTION for seniors. Perhaps a senior is worried about an account being garnished or has difficulty getting a bank account. Although banking regulations protect two times the amount of any monthly Social Security deposit, other funds could be liable to garnishment.



An alternative to a bank account is a **Direct Express card**. It looks and acts like a bank debit card, but has Social Security, SSI, and other federal payments automatically loaded onto it each month. You can use it to make purchases, pay bills, and withdraw cash anywhere a Debit MasterCard is accepted. It's easy and free to enroll, and the fees are minimal. You can call (877 -212-9991) or go online to enroll at www.USDirectExpress.com.

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!



KEEP UP WITH HELPS ON OUR FACEBOOK PAGE!!

- Enjoy regular posts from HELPS director Eric Olsen
- Share HELPS with your friends
- Find us at www.facebook.com/helpsishere

Notes from Clients

"I have tried to be financially responsible all my adult life. My credit was always excellent. However, when I retired, my income was just not enough to keep up with my obligations. One day I Googled 'What to do when you can't make your RV payment' and HELPS came up. They helped me navigate surrendering my RV and dealing with my creditors. The peace of mind we have now is priceless. No calls. No threatening letters. Thanks to HELPS, we can breathe once again and enjoy our golden years." - *Phill B.*

"I remember when I first got sick 20 years ago and all the abuse from bill collectors threatening to have me thrown in jail, calling my elderly grandparents, calling any relative they could find and threatening them too...it was a nightmare, in turn making my illnesses flare up. I'm so grateful for HELPS. I wouldn't be able to handle that kind of abuse nowadays!" - *Lisa H.*

"Thank you for your help. I truly appreciate it and can't tell you what a relief it is to know we aren't going to be burdened by creditors." - *Jeanette P.*



"I enrolled in HELPS five years ago when my husband passed away from cancer. You are so helpful, and I encourage anyone reading this message to call if they need help. This company is a blessing from God. The staff is wonderful; any time I need them, all I do is call and they take care of everything for me. I do not know what I would have done without their help. Call them and let them help you, too. Thank you HELPS for being there for me!" - *Leeanne B.*

"The weight taken off of me yesterday after my phone call with HELPS freed up my spirit so much, I was noticeably happier than I have been for a while. Your staff is so attentive, kind, understanding, helpful and a pleasure to speak with. Your work there is such a blessing to so many. Thank you!" - *Larry G.*

"I want to put a review about HELPS because you are the only one who gave me a peace of mind and helped me smile once again. Thank you from the bottom of my heart and soul. God bless this wonderful company. I tell whoever will listen to me about you to spread the word to help others!" - *Susan S.*



YOU ASKED

WE ANSWERED

Question: How can I lower my car insurance premium?

Answer: States vary in how much a credit rating affects insurance. California, Massachusetts and Hawaii prohibit insurance companies from using credit to affect insurance rates. In other states, insurance companies differ widely in how much credit ratings affect premiums. Farmers Insurance seems to penalize persons with poor credit the most and Geico the least. This link to an article on WalletHub might be helpful: <https://wallethub.com/edu/ci/car-insurance-by-credit-score-report/4343>.

Here are specific things you can do to lower insurance costs.

1. If your car is paid for, you are not required to carry collision or comprehensive, only liability. If your car is an older model then you probably need only liability. Collision and comprehensive insurance will increase your cost significantly.
2. Raise your deductible to \$1000.
3. You only need the minimum amount of coverage allowed by law. Why? Even if you had a bigger claim, all your retirement income is protected by law and is not at risk.

This link on The Zebra also discusses options and resources for getting car insurance with bad credit: <https://www.thezebra.com/auto-insurance/cheap-car-insurance-bad-credit>.

Question: Is my 401k or my IRA protected from garnishment for old debt?

Answer: A federal law called ERISA prevents a 401k plan from being garnished for any reason by a private collector. What about an IRA? While employer-sponsored retirement plans are protected by ERISA, individually established IRAs are not covered by ERISA.

But if you have an IRA, don't panic. Most states have laws that protect IRAs. Here is a link to look up your state: <https://www.thetaxadviser.com/content/dam/tta/issues/2014/jan/stateirachart.pdf>.

Here is another link to another article that discusses whether IRAs can be garnished: <https://www.investopedia.com/ask/answers/090115/can-creditors-garnish-my-ira.asp>.

In his 40 years of legal practice and nearly 50,000 bankruptcies, HELPS Executive Director Eric Olsen does not recall a judgment creditor attempting to garnish an IRA. Because there are many exceptions and ways to stop the garnishment of an IRA, judgment creditors simply do not even attempt it.

If you have an IRA and are concerned, you can call HELPS and we can discuss this with you.

**HELP ELIMINATE LEGAL PROBLEMS
FOR SENIORS AND DISABLED**

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HELPS is a 501(c)(3) Charitable
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