



Collection of Time-Barred Debts

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“Time-barred” debts are debts so old they are beyond the point at which a creditor or debt collector may sue you to collect. State law varies as to when a creditor or debt collector may no longer sue you. In most states, the period is from three to 10 years, and in Texas, the limit is four years. The statutes of limitations for all the states is available at www.naag.org.

Federal law imposes limitations on how debt collectors can collect debts, including time-barred debts.

Under the Fair Debt Collection Practices Act (FDCPA), a “debt collector” generally is any person or organization that regularly collects debts owed to others. The term includes lawyers who collect debts for others on a regular basis, but it does not include creditors collecting their own debts.

Most courts that have addressed the issue have ruled that the FDCPA does not prohibit debt collectors from trying to collect time-barred debts, so long as they do not sue or threaten to sue you for the debt. If a debt collector sues you to collect a time-barred debt, you can have the suit dismissed by letting the court or judge know the debt is time-barred.

Whether a time-barred debt or any other debt can appear on your credit report depends on how long the debt has been delinquent. Debts that have been delinquent more than seven years cannot appear on your credit report, with certain exceptions. A debt collector may not try to collect a debt that has been discharged in bankruptcy, no matter when it was incurred. To learn more about credit reporting, visit www.ftc.gov/bcp/online/pubs/credit/fcra.htm.

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If a debt collector contacts you about a debt you believe to be time-barred, the debt collector must stop trying to collect if within 30 days of receiving notice of the debt, you send the debt collector a letter stating that you do not owe some or all of the money. If the collector gives written verification of the debt, the collector can renew collection activities.

You can stop debt collectors from contacting you about any debt, whether or not you owe it, by writing a letter telling them to stop contacting you. Once the collector gets your letter, it may not contact you again, except to say there will be no further contact or to let you know that the collector or original creditor intends to take some specific action, such as filing a lawsuit. Sending a letter does not absolve you of the debt if you actually owe it, and the collector or creditor still could sue you for the debt.