

Are You Being Sued by Midland Funding, LLC?

Why You Should Fight Lawsuits by Debt Buyers.

By John Skiba

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If you are being sued by Midland Funding, LLC here in Arizona you are not alone. Recently I have seen an increase in the number of clients coming in with lawsuits by Midland Funding and other debt buyers. What is a debt buyer? These are companies that have purchased delinquent debts from banks or credit card companies and then are suing through the state court system here in Arizona to collect on their purchased debts. Understanding how these debt buyers operate will help you in fighting the lawsuit they have filed against you.

How Debt Buyers Operate

Companies like Midland Funding buy debts that have been charged off by the original creditor. In Arizona one major debt buyer, Portfolio Recovery Associates paid slightly over 2.5 cents on the dollar for the debt they purchased. This means that to buy \$100 of debt, this debt buying company would pay \$2.50. Once they purchase the debts, they then use the local courts, often the Arizona justice courts, to sue the parties that they allege owe the debt. And they sue in gigantic numbers. In 2008 one debt buyer, Encore Capital Group filed nearly 450,000 lawsuits throughout the country.

In filing these lawsuits the goal, however, is not to get engaged in a legal battle over the debt; they are planning on you doing nothing and allowing a default judgment to be entered. It is estimated that approximately 90% of the lawsuits filed by debt buyers like Midland Funding result in a default judgment, meaning that the person being sued didn't even file a response. If you don't file a response, the court assumes you must agree with what has been alleged and gives the debt buying company everything they are asking for. Once a creditor obtains a judgment against you they can garnishment your wages (up to 25% of each check!).

Why You Should Fight!

There are numerous reasons why you should contest a lawsuit by a debt buyer. I have personally handled cases by debt buyers where the person being sued literally did not owe the debt - and in one case had never even had an account with the particular bank! Debt buyers receive minimal information when they buy accounts and typically do not receive the underlying contract or copies of any other communication on the account. Further, many times the debt bought is very old and the statute of limitations has run.

In cases I have handled I am always amazed and the lack of evidence many of these companies have when you ask them to present it in support of their lawsuit. Often they have no actual documented proof that you owe the debt so they include affidavits that are full of hearsay and other non-admissible evidence. The

short of it is, if you are being sued by Midland Funding or any other debt buyer it is worth having an attorney review the lawsuit and determine if it is something you should contest.

Limited Scope Representation- An Affordable Way to Fight Debt Buyers

Often debt buyers will file a lawsuit for a relatively minimal amount. When someone is suing you for \$1,500 it doesn't make much sense to pay an attorney \$2,000 to represent you. In effort to help clients who need help but either can't afford full representation in a case or it doesn't make sense to spend a lot of money on an attorney, my office offers limited scope representation for a fraction of the cost of full representation. I can help you in developing a case strategy, understanding the court process, an even help you draft documents to file with the court. You assist in your case, keeping costs down, and can control how much or how little legal help you receive.

I would be happy to discuss your case and review any lawsuits you have received. I can be reached at (480) 420-4028 or via email at john@skibalaw.com .