

## How Long Will These Creditors Harass Me: The Statute of Limitations on Debt.

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Are you currently in debt? Are you getting tired of your phone ringing of the hook? Well, I have some good news and some bad news. The good? There are statues of limitation the limit the duration of time in which a creditor can attempt to sue on an unpaid debt and collect on the awarded judgment. The Bad? Depending on when you incurred the debt, you may be waiting quite a while for you phone to stop ringing.

### What's the Arizona statute of limitation to collect a debt?

When it comes to statues of limitation, not all debts are created equally. The time period in which a creditor can sue to collect on a debt is varies with the nature of the debt. Here are two magic numbers to keep in mind:

- 6 Years – Written contract ([A.R.S. § 12-548](#))
- 3 Years – Oral debt or stated or open account ([A.R.S. § 12-543](#)).
- 3 Years – Actions for fraud or mistake (from the date of the discovery of the fraud or mistake)
- 4 Years – Actions involving fiduciary bonds, out of state instruments and foreign judgments

NOTE: Arizona applies its own statute of limitations to foreign judgments rather than that of the state that originally rendered the judgment whether the judgment is being domesticated under the Uniform Enforcement of Foreign Judgments Act or pursuant to a separate action on the foreign judgment.

### What's the statute of limitation for enforcing a judgment in AZ?

The magic number here is 5 years. That is, after a creditor has successfully sued and obtained a judgment, the statute of limitation is 5 years. This means that, within this time period, a creditor must:

- Collect upon the judgment ([A.R.S. § 12-1551\(B\)](#))
- Renew the judgment by filing an action to enforce the judgment ([A.R.S. § 12-1611](#))
- File an affidavit with the court within ninety days before the expiration of the five year period ([A.R.S. § 12-1612](#))

### How do I know which statutes apply to my debt?

This is where things get sticky. See, every state has their own statutes of limitation on debt collection. Unless a contract or agreement was both signed and performed all in one state,

determining which state's statutes to use can be difficult. The current trend is to apply the law of the state that has the "most significant relationship to the transactions." That is a vague clause if I have ever heard one - I can tell you from experience that it generally equates to "he who has the best argument wins." I should warn you that not everyone follows this trend: some courts focus on the place where the contract was entered into or where the contract was performed.

A final point to make is that many contract attorneys are well aware of the varying statutes and will include a "choice of laws" clause. This clause is exactly what it sounds like - a legal agreement by the two parties involved to follow a predetermined set of laws. Courts generally enforce these agreements unless they are unfair or unreasonable.