Have You Been Sued by a Debt Collector?

Guide for Dealing with a Collection Lawsuit in Philadelphia Municipal Court

Community Legal Services of Philadelphia

Important Note: This guide provides legal information, not legal advice. It explains general rules and options, but it does not apply the law to your specific situation. You should consider the facts of your case before deciding how to proceed. If you need legal advice, you should consult a lawyer. This guide also includes information about sources of legal help, including free legal services.

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What You'll Find in This Guide

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3 things to know from the start

Do not ignore a collection lawsuit!

Being sued can be stressful and confusing, but you have choices. First, try to find out the risk of the lawsuit for you. If you don't go to court, you will probably lose automatically. That means the Court will enter a judgment against you. But if you don't own property and your only income now and in the future is Social Security or another kind of protected income, a judgment might not cause problems for you. On the other hand, if you are employed or own property, a judgment could cause problems for many years. Keep reading to find out how to handle a debt collection lawsuit, what help is available in court, and how to protect your finances.

If you speak a language other than English, the court must give you a free interpreter.

If you can, contact Municipal Court before your court date to tell them you will need an interpreter and what language. You can call the Court at 215-683-8000 or go to Court Administration at 1339 Chestnut Street, 10th Floor. You can also send an email to two court emails: mcclaims@courts.phila.gov and languageaccesscoordinator@courts.phila.gov. If you can, include the "Certificate of Compliance" sentence from the end of this guide, or a signed compliance form. If you can't, send your email anyway. *If you did not request an interpreter before your court date, you can ask for one when you get to court.* Even if you don't call ahead, the Court must still give you a free interpreter. You have the right to take part in your court case in the language you speak and understand best.

If you have a disability or health issue, ask for the help you need.

If it is hard for you to go to court or take part in your case, **the Court must try to help you participate.** This usually means changing something about how court normally works so that you can take part. Under a federal law called the Americans with Disabilities Act (ADA), this change is called a "reasonable accommodation." For example, you can ask to attend a hearing by phone or Zoom instead of in-person. You can ask to file a petition by mail or e-mail instead of in-person. You can tell them you need an ASL interpreter if you are deaf or hard of hearing. And if you rely on paratransit, you can ask for a flexible hearing time. Call the Court at 215-686-2547 or 215-686-2910 to let them know you have a disability and ask for what you need. You can also send an email to two court email addresses: Maria.Pugliese@courts.phila.gov and McCivilADA@courts.phila.gov. The Court will ask you to fill out and return three forms, which are included at the end of this guide. If you need help with that, let the Court know. It is best if you make your request two weeks before your hearing, but you can make it anytime.

The Basics of Debt Collection Lawsuits

Who's who

Debt collection cases are filed by lawyers for companies that say you owe them money. The company suing you is called the "**plaintiff**." The person being sued (you) is the "**defendant**." The plaintiff's goal is to get money from you. They try to do this by getting you to pay voluntarily and/or by getting a court judgment that can allow them to garnish your bank account or have a lien against your property. The company suing you might be:

- an **original creditor**, like a credit card company or bank; or
- a **debt buyer**, a company that buys old debts owed to other companies. Debt buyers pay pennies on the dollar for debts that creditors have given up trying to collect. Many people have never heard of debt buyers. If you are being sued by a company you've never heard of, it might be a debt buyer. Sometimes the same debt is sold many times. A new debt buyer can even buy a judgment long after the Court entered it in the name of another debt buyer.

Proof

It is the plaintiff's job to prove that you owe the debt and that you should have to pay the debt to them. If they can't prove their case with evidence, they should not win. Lawyers call this the "burden of proof." Most debt collection cases are contract claims, which means that **plaintiffs must prove 3 main things to the court:**

- 1) That you **agreed to a contract**. Usually, they try to show that you agreed to borrow and re-pay money to a lender. They should show proof of the contract's key terms, like how much money was lent and when, required payments, interest rates, and the fees allowed; **AND**
- 2) That you **broke the contract** by not doing something you agreed to do. Usually, they try to prove that you missed payments starting on a certain date. The Court calls this "breaching" the contract; **AND**
- 3) That the company suing you was harmed by the broken contract, and how much you should have to pay them. The Court calls this "**damages.**" Plaintiffs must prove how much money was borrowed, when it was borrowed, and why you should have to pay any interest, charges, or fees beyond that amount.

Extra proof required of debt buyer plaintiffs: If the company suing you did not lend you money, they must also prove that they own the debt. The Court calls this **"standing."** To prove this, plaintiffs generally need to show written contracts showing that they bought your account from the original creditor or from another debt buyer. Because debts are sometimes sold several times, they should show proof of each sale. Many debt buyers don't have all of these records, so they can't prove that they own the debt they're trying to collect.

Common Defenses

Plaintiff doesn’t have enough evidence!

If the plaintiff can't prove its contract claim (the “proof” listed above), they should not win. Debt collector plaintiffs—including credit card companies—often sue people even though they don’t have all the evidence they need. Courts call this failing to “meet their burden of proof.” Some common problems with plaintiffs’ cases are:

- **No proof of contract:** Sometimes plaintiffs don’t have a copy of the contract they say you agreed to, or proof that you agreed to it. They should show the original contract between you and the lender with all the key terms, like interest rate and fees—not just a sample credit card agreement. Credit card agreements can change often, so plaintiffs need proof of each change to the contract. If the collector can’t prove the contract, the Court should not award them interest, late charges, or attorney fees.
- **Incomplete proof of the debt/money lent:** Plaintiffs need to prove exactly how they calculated the amount they say you owe. They must show how much money was lent, for what and when, and what interest, fees, and charges were added to that balance. In a credit card case, a statement showing only a final balance (often called a “charge-off statement”) isn’t enough proof. Plaintiffs must also have monthly statements showing the purchases and any fees or interest that make up that balance.
- **Debt buyer can't prove ownership (standing):** Often, debt buyer plaintiffs are missing key evidence showing that they own the debt and have the right to sue you. (The Court sometimes calls this “standing.”) They should have written contracts for the purchase of your account. These contracts are often called “assignment documents.” Without them, debt buyers can’t prove that they own the debt. Debts can be sold several times, from one debt buyer to another, before a lawsuit is filed. The debt buyer suing you should have the contracts for the sale of *your account* (not just some unknown group of accounts) from each sale.

Debt too old (Statute of Limitations)

Sometimes a plaintiff files a case too late. Most collection cases must be filed within 4 years after the date on which the plaintiff claims you broke the contract. In a credit card case, that usually means 4 years after your first missed payment. Sometimes this time period (called the “statute of limitations”) can be even shorter: 3 years. If you think the debt is too old, tell the judge. The plaintiff should have to prove that it’s not.

Wrong person, wrong amount

Everyone makes mistakes, including creditors, debt buyers, and their lawyers. Sometimes debt collectors sue the wrong person or sue for the wrong amount. If you don’t recognize the debt or if anything in the case documents looks wrong (your name or address, the purchases, or payments), tell the judge.

Fraud (identity theft)

When someone borrows money in your name without your permission, it’s called fraud or identity theft. Unfortunately, credit card fraud is common and can lead to a lawsuit against you for money you didn’t borrow. If you think someone took out a debt in your name without your permission, call the plaintiff’s lawyer before the hearing. Tell them about the fraud and they should investigate your dispute. If you have a hearing, be ready to tell the judge why you think the debt is the result of identity theft/fraud. Look at the purchases on the account to see what they were, for how much, and where they happened. You might see a charge for something you never buy, at a business you do not use, or from a place you do not visit. Tell the judge about those purchases. If you already know that someone used your personal information to open any credit account (this or another), bring any proof you have to court.

- It's also a good idea to visit www.IDtheft.gov. This government website helps you report the fraud and learn how to protect yourself from more identity theft problems. You can also get free help from a non-profit called Clarifi, which provides credit counseling. You can call them at 215-563-5665. The Consumer Debt Court Guide in Municipal Court can also help you get an appointment.

Ability to Repay

Federal law says that credit card companies must consider whether you can repay a credit card before they give you one or raise your credit limit. They must consider your income and assets as well as your debts. They should give you the new credit card (or increase your credit limit) only if they decide that you could make the monthly payments on the card. If you think the credit card company may not have done this, you can ask the judge to make them show proof that they did. This rule applies to credit cards opened or credit limits increased since February 2010.

Commercially unreasonable sale after car repossession

When your vehicle is repossessed and sold, the creditor must give you proper notice and sell the car in a “commercially reasonable manner.” You may want to talk to a lawyer to see if you can raise defenses, or counterclaims, for how the vehicle was sold.

You may have another defense!

There can be other reasons that you should not have to pay the plaintiff. For example, you may have already paid some or all of the debt. Or the original contract may have been illegal, misleading, or unfair.

Finding Your Way in Municipal Court

Your case number

Every debt collection case in Municipal Court is given a case number that begins with "SC-", followed by 10 numbers. For example, #SC-26-12-34-5678. Knowing your case number will make it easier to talk with court staff about your case. If you have a packet of papers about your case, find the paper titled "STATEMENT OF CLAIM." You'll see the "SC-" case number printed just below the bold title.

Finding your case info online

People sued by debt collectors should receive a packet of papers about the case against them. But if you haven't received this, you can't find it, or if you want to see the latest in your case, you can find the most up-to-date case info online. Try these step-by-step instructions.

- First, go to fjdclaims.phila.gov on your phone or computer. Next, click the dark blue "Login As Public User" button. Complete the verification section, then click "I Accept." On the next screen, click "Search." Then, if you know your case number, you can enter it in the search box and click "Go!"
- If you don't have your case number, or if it's not working, you can search by your name by clicking on the "Type" drop-down menu and choosing "Defendant." Then, type your first and last names into the Search box and click "Go!" If you can't find your case, you can narrow the results by going to the drop-down menu next to "Case Type," choosing "SC - Statement of Claim," and hitting "Go!" again. When you have found your case, click on the case number, do the security check, and you'll see the docket for your case.
- The **docket** is a summary of what has happened so far in the lawsuit. It shows the parties (you and the debt collector suing you), the lawyer representing the debt collector, the date of any hearings (past or future), what happened at any prior hearing, and links to the documents in your case. Most of the rows on the docket have a little page icon on the right side. Click on that icon to open the case document related to that entry.

Service

When a debt collector plaintiff files a case against you, they must let you know about it by giving you copies of the lawsuit and some important documents. They must give you the Statement of Claim, any proof they filed supporting the claim, and other papers explaining your rights in the court process. Together, these documents are often called the "service packet." Delivering them to you is called "service." Until the plaintiff serves you, the Court does not have the power to hear the case or make a ruling against you.

How Plaintiff Must Give You Notice

The general rule is that the plaintiff must give you notice by having the lawsuit papers hand-delivered to you. In debt collection cases, this is usually done by a professional "process server." If you are not home, the server can leave the papers with another adult in your family who lives with you. If no adult family member is home, the server can leave the papers with an adult who is "in-charge" of your home.

- If the plaintiff tried and could not serve you (or an adult you live with) in-person, or if your last known address is a P.O. box, they can ask the Court for permission to send the papers by certified and regular mail instead. This request will be on the Court docket.

The Affidavit of Service Form

- After the plaintiff serves you, they tell the Court by filing a document called an "**Affidavit of Service**." This is a one-page form where they are supposed to explain the details of how you were served. It should say who delivered the papers, who received them, and when and where service happened. The completed form should be detailed enough that the Court can decide whether service followed court rules.
- If a plaintiff tries to serve you but cannot, they must tell the Court before the hearing. They do this by filing the same Affidavit of Service form but explaining how the server tried and failed to serve you. This is sometimes called an "**Affidavit of No Service.**" If you know about a case against you but have not been served, you can check the Court's online docket before the hearing to see if this document was filed. (Follow the instructions above in the "Finding Your Case Info Online" section, then look through the docket to find the affidavit of service.)
  - If an Affidavit of No Service has been filed, you do **not** need to go to the hearing. On the hearing date, the Court should end the case. However, the plaintiff can start the case again and try again to serve you.

If You Were Not Served Correctly

- Sometimes, a plaintiff tells the Court they have served you when, in fact, they have not. Leaving court papers in your mailbox, between your doors, at an old address, with a child, or with an adult who is not in charge of your home is NOT "good service." Yet, plaintiffs sometimes file an affidavit of good service anyway. If you did not receive service and learned about the lawsuit another way—like through a letter from a lawyer offering bankruptcy help—you can check the Court's online docket. Look to see whether the plaintiff has filed an Affidavit of Service telling the Court that they served you. You should be able to open the document and see when, where, and to whom they say the papers were delivered.

- If you think you did not receive proper service but an Affidavit of Service was filed anyway and a hearing is scheduled, you should go to the hearing. Tell Court staff that you were not served. Unfortunately, right now there is no good way to dispute service without going to court. At the same time, if you stay home, the Court will likely enter a judgment against you for not being in court.
- If you go to the hearing to explain that you were not properly served, the Court may decide that by showing up, you are giving up (waiving) your right to say you were not properly served. You can still tell the Court that you were not served and ask the Court to dismiss the case. But the Court may not agree and may allow the case to move forward.

Notice to Defend

Some service packets include a paper called a "Notice to Defend." Plaintiffs can choose whether to include this notice, and they usually don't. If you get one, and you want to be sure you see a judge on your first visit to court, you can fill it out and mail it to the plaintiff's lawyer. The packet should include a stamped envelope addressed to the lawyer. Use that envelope to mail the form at least 5 days before the hearing date. The notice tells the plaintiff's lawyer and the Court that you plan to come to court on your hearing date and defend yourself. It also lets them know that you don't want to have to come back a second time. You do NOT have to fill out this form. It's optional and usually does not change what happens in your case. You can ignore it and still go to court for your hearing, just as you would if you had not received it. However, if you do not send it in, the judge may not hear your case that day, and you may need to return to court.

Rescheduling Your Hearing

You may need to delay your hearing if you cannot go to court on the scheduled date. You may also want to delay your hearing if you need more time to look for legal help. If you want to reschedule your hearing, you can ask the Court for a new, later date. The Court calls this a "**continuance**." If possible, ask for your continuance at least **10 days** before the hearing date.

- If you are asking to reschedule your hearing before the hearing date, the Court wants you to make that request in writing. If you use email, the easiest way to request a continuance is to send an email like the sample shown below to MCclaims@courts.phila.gov. (The full text you can copy is also included at the end of this guide.) If you know the email address for the plaintiff's lawyer, include them on the same email. If you don't, you can call the Court at 215-686-2910. Tell them you are sending a continuance request by email, and ask for the plaintiff lawyer's email address. If you can't get the plaintiff lawyer's email, send your request anyway.

To: mcclaims@courts.phila.gov
Cc: [*email for plaintiff's lawyer*]
Subject: Continuance Request

Dear Mr. Joyce,

I am the defendant in ____________ v. ____________ (SC-##-##-##-####) [*case name and number*], which is currently set for a hearing in Room 5 on _[*date*]_. I am requesting a continuance because____.

The lawyer for the plaintiff is included on this email.

I can be reached by email here or by phone at ___[*your phone #*]___.

I certify that this filing complies with the provisions of the Case Records Public Access Policy of the Unified Judicial System of Pennsylvania that require filing confidential information and documents differently than non-confidential information and documents.

Thank you for your help,
[*Your Name*]

Be sure to include the long sentence at the end about Public Access. If you don't, Court staff will send you a form to sign and return before they will work on your request.

- If you're not comfortable using email, you can write a request by filling in the sample at the end of this guide. Then, send it to the Court by:
  - **Fax** at 215-569-9254;
  - **Mail** to John Joyce, Deputy Court Administrator, 1339 Chestnut Street, Room 1020, Philadelphia, PA 19107; or
  - **Hand-delivery** to the Court at 1339 Chestnut Street, 10th Floor.
- **If you ask for a continuance less than 10 days before your hearing date**, the Court will not give you a new date in advance. In that case, it's important to go to court on your scheduled hearing date if you can. Court staff will hold your request until the scheduled hearing date and then decide in Room 5 whether to give you a new date. If they don't give you a new date, and you are not in court, they will likely enter a default judgment against you.
- If you are in court for your scheduled hearing date, you can still tell Court staff that you need more time and ask for a continuance. Continuance requests made in court are often, but not always, granted.

Room 5

Most debt collection cases have a first hearing in Room 5 of Municipal Court. It's important to be there and to arrive on time.

- If you don't come to court or arrive late, and there is an affidavit of service saying that you were served, you will lose the case. The Court will enter a judgment against you "by default," simply because you were not there.
    - If you need to reschedule your hearing, you can ask for a new date. The Court calls this a "continuance." (More information about rescheduling is above.) It is best to ask for a continuance at least 10 days before your hearing date. But you can also ask for a continuance in Room 5 if you go to court on your scheduled date but need more time to get legal help or prepare your case.
- In Room 5, you will probably see a few people: one or more court workers, a Court Guide, lawyers who are debt collectors working for the plaintiffs, and other defendants—people who, like you, are being sued. A court worker called a "trial commissioner" will read a welcome message that explains a little about what to expect and how Room 5 works. They will also point out the Consumer Debt Court Guide.
- **Consumer Debt Court Guide**: Going to court can be confusing or intimidating. The Court Guide in Room 5 is there to help you. They can explain what's happening, what your choices are, and how to make your way through the court process in the way that you choose. The Court Guide does not work for the Court or the debt collector. They are funded by the City to provide free help to people who are being sued over a consumer debt. The Court Guide is NOT a lawyer. They cannot give you legal advice or represent you. They CAN answer questions about how court works and share legal information, including the burden of proof and common defenses in debt collection lawsuits. They can also help you find free or low-cost legal help and free financial counseling.
- **You have choices in Room 5.** You can:
    - When you arrive, tell court staff that you want a judge to decide your case; OR
    - Try talking with the plaintiff's lawyer about a possible settlement before you decide if you want a judge to hear your case. (More Information on settlements is below.) Usually, a collection lawyer representing the plaintiff will call your name and ask you to go into a side room to talk. You can choose to do this or not. If, after talking with the collection lawyer, you cannot or do not want to reach an agreement, tell court staff that you are ready for a judge to decide the case.
- **Trial:** Once the trial commissioner checks the status of each case and enters default judgments against defendants who are not there, a judge will come into Room 5 to decide the remaining cases. The judge will listen to both sides and decide if the plaintiff has enough evidence to prove their case. (See the section above on the plaintiff's burden of proof and common defenses.)

Appeals

Both you and the plaintiff have the right to appeal the Court's decision. If you lose your case and disagree with the Court's decision, you can challenge it. If you win, the plaintiff also has the right to appeal.

Appealing a judge's ruling (if you lose)

If you had a trial with a Municipal Court judge, and the judge ruled for the plaintiff and against you, you have the right to appeal to the Court of Common Pleas. You have **30 days to appeal,** starting from the date that the judgment was entered against you. This deadline is firm. The Court will throw out late appeals. If you want to appeal, it's best to do it right away. If you appeal, the plaintiff will need to start their lawsuit over again in the Court of Common Pleas. They will need to file a new, more detailed complaint, and you will need to file a written response to the complaint.

- To start the appeal, you'll need to fill out a one-page appeal form and a Praecipe to File Complaint. File them with a copy of the Municipal Court order at the Court of Common Pleas, Room 296 in City Hall (the Civil Filing Center). To get into City Hall, you must go to the northeast visitor entrance and show photo ID. After you file your appeal form, you will need to serve the plaintiff by giving them a copy of the appeal form and the "Case Management Order" that the Court of Common Pleas will issue. Ask Court staff exactly what you need to serve and how to do it.
- **Help with your appeal:**
  - The Civil Filing Center, Room 296 in City Hall (215-686-4251) can provide you with basic information about filing an appeal. They also may be able to refer you to the help center in City Hall's Room 278. They can provide help for any Philadelphian and have a focus on serving seniors age 60 and older. The help center is called the Elder Justice and Civil Resource Center (EJCRC). You can reach the EJCRC at 215-686-7027 or visit them in Room 278 in City Hall, but their office has limited staffing and may not always be open.
  - If you have limited income, Community Legal Services (CLS) may provide legal advice or representation for your appeal. To find out if CLS can help, call or visit during the intake hours listed in the "Getting Legal Help" section at the end of this guide.

If you win and the plaintiff appeals

Even if you win your case, the plaintiff has 30 days to file an appeal. If they file an appeal, they must serve you a copy of the appeal. Filing an appeal means the case will start over again in the Court of Common Pleas. You will need to respond to the new case, so do not ignore any papers you receive.

Challenging a default judgment

If you lost your case because Municipal Court entered a judgment against you when you were not there, that is called a default judgment. This can happen if you did not go to court or if you arrived late. If you did not receive notice of the lawsuit, discovering a default judgment—through a letter from the Court, a bank account garnishment, or another way—can be the first time you learn about the lawsuit**. If you learn that there is a default judgment against you, you can fight it, but you must act quickly.** Whether one day or ten years have passed since the judgment, you should tell the Court right away that you want to challenge it. To do this, you'll need to file a **Petition to Open the Default Judgment**. You can visit the Court's 10th floor (Court Administration) to get started. In your Petition, be sure to tell the Court:

- (1) why you did not attend the hearing in this case. If you didn't know about the hearing or had another good reason for missing it, explain that.
- (2) when and how you learned about the judgment, and what steps you took between then and now. Include anything you did to learn about the case or to get legal help, any calls or visits to the Court or to a legal organization, and how you learned about your right to file the petition.
- (3) what defenses would you raise to the claim if the Court gave you a new hearing. Defenses are reasons why the other side should not win or should get less than they asked for. (Read about common defenses above.)

These 3 points will give the judge reading your petition the information they need to make a ruling. The Court's Petition to Open form does not specifically ask for all this information but include it anyway. Don't write about, for example, how you can't pay the judgment. Even if that's true, it's not relevant to whether the Court should undo the judgment. For more information, see the CLS fact sheet *How to File a Petition to Open in Municipal Court*.

Deciding If and How to Settle

A settlement is an alternative to having a judge decide a debt collection lawsuit. In Municipal Court, the plaintiff's lawyer usually will approach you to try to work out a deal. Remember, the plaintiff's lawyer works for the plaintiff, not for you. You can choose whether or not to talk with them. You have the right to ask a judge to decide your case and to raise any defenses or claims you may have. You do not have to agree to a settlement. The information below will help you decide whether to settle, how to work out a fair deal, and what to look for in any settlement agreement.

Whether to Settle

There are no firm rules about whether you should settle your case. It depends on your situation. It's important to think about or figure out:

- what problems a judgment might cause for you,
- what evidence the other side has to prove their claim,
- whether you can afford to make a settlement payment (or payments), and
- how comfortable you are taking a chance.

Are you Collection Proof?

For some people, a debt collection lawsuit will not cause problems, even if it ends in a judgment against them. This can be true for people who do not have income or property ("assets") that can be taken by debt collectors. This is sometimes called being "collection proof." Generally, you are collection proof if these 3 things are true:

- (1) Your income is protected. These kinds of income cannot be seized by collectors, even if they have a court judgment against you:
    - Social Security (including SSI and SSDI),
    - Unemployment Compensation,
    - Workers' Comp,
    - Veterans' benefits,
    - accident and disability insurance proceeds,
    - most pensions,
    - most retirement benefits,
    - and life insurance proceeds.

  To learn how to keep this money safe in your bank, read the "Living with a Judgment" section below. Wages from work are NOT protected. If you are working, you are probably not collection proof.

- (2) <u>Your assets are protected.</u> Pennsylvania law protects very little of your personal property: just $300, your clothing, and a few items like a sewing machine and bible. But if you do not own a home, a car, or other valuable property, collectors usually will not try to seize and sell your other belongings. If you are married and own a home with your (living) spouse as "tenants by the entireties," your home is also protected if only one of you owes the debt.
- (3) <u>Your financial situation will stay the same</u>. Judgments last a long time. Creditors and collectors can collect a judgment for 20 years, and for even longer if the judgment is a lien against a home. If you have wages, other unprotected income, or own a home in the future, a judgment could become a problem later. Your money or property could be at risk in the future.

If you are collection proof, collectors may still try to get you to make payments. You do not need to agree. If you want to make a payment, you should only consider it if you have money left over after paying for all your basic needs. That includes your housing, food, utilities, medical care, transportation, and clothing.

Hardship Requests

If you are "collection proof" and are being sued in a debt collection case, you can tell the plaintiff's lawyer about your situation and ask them to drop the case. This is called a "hardship request." Debt collectors want to make the most money they can with the least time and effort. If they know they will waste time trying to get money from you in the lawsuit, they will often agree to withdraw it. You can use the hardship request form at the end of this guide. Send it to the plaintiff's lawyer by email or regular mail. You can also ask them to stop contacting you in the same letter.

Should you consider bankruptcy instead?

Bankruptcy is another option to deal with debt, especially if you have more debt than just this lawsuit. It can stop collection activity right away, including bank account garnishment and collection calls, and may wipe out many debts so you can get a fresh start. The Court calls this a "discharge." But it is not right for everyone. Some debts—like most student loans, child support, and some taxes—usually cannot be discharged. And in some cases, you may have to give up property or make payments over time. If you are thinking about bankruptcy, it's best to get advice before making a decision or agreeing to a settlement. Review the section "Getting Legal Help" for information about finding a bankruptcy lawyer or free legal help.

Reasons to Settle

In general, you may want to think about trying to settle the case if:

- **You are not "collection proof," meaning that a court judgment could hurt you.** This could be because money could be taken from your bank account ("garnished"), because you own a home, or for another reason; **AND**
- the **plaintiff has evidence**—the kinds of documents listed in the "Proof" section above—showing that you owe the amount they're claiming; **AND**
- **you have some money you can use to settle.** This could be in a lump sum payment, a few payments, or monthly. Think about whether you have money left over at the end of the month after paying for your housing, food, utilities, medicine, transportation, and other basic needs. Those bills are more important than this kind of debt and should be paid first.

Settlements can give you some control and certainty. You and the plaintiff decide what the settlement terms will be, so a judge does not decide who wins. Some people prefer this, while others *want* a judge to decide if the plaintiff can prove its case before they consider a settlement.

Timing

You can settle at different points in the case. There is no one "right time" to do it. Settlements can happen when a case is first filed, with a collection lawyer in Room 5, or just before or after a hearing/trial. If you lose, the case can even be settled after the judgment is entered. Settling earlier might help you negotiate a smaller (better) settlement amount, but not always. Sometimes plaintiffs agree to a better settlement just before trial or, if they win at trial, in exchange for you agreeing not to appeal.

Settlements and Judgments

Some settlements involve a judgment being entered against you, and some do not. Municipal Court's standard settlement form does NOT enter a judgment unless you miss a payment. Other agreements may include a judgment right away.

- Generally, it is better to avoid a judgment if you can. A judgment can last for many years and may allow the plaintiff to take money out of your bank account or have a lien against your property. Before agreeing to a settlement, make sure you understand whether a judgment will be entered and what that means for you.
- Be careful: If you agree to a settlement (any payment arrangement on the debt) before your court date, you should still go to court for your hearing. That way, you can make sure that the Court notes the settlement on the court record and does not enter a default judgment against you. If a collection lawyer says you don't have to go to court

because they will tell the Court about the settlement, do not rely on that alone. Ask for the agreement in writing. Make sure it clearly says whether a judgment will be entered against you and when.

- A sample of a settlement agreement reached before going to court is included at the end of this guide. A sample of the standard settlement agreement form used in court is also included.

Settlement Agreements

Settlements can have different names.

"Stipulation in Lieu of Judgment"

Most settlements made in Room 5 are written on a court form called "Settlement Agreement" and signed by both sides. The Court calls this form a "**Stipulation in Lieu of Judgment**."

- These agreements have blank spaces where both sides note what they agreed on, including most of the terms above. The form does not create a judgment against you. Instead, it outlines how the debt collector (the plaintiff) can get a judgment if you don't pay as agreed. If you miss a payment or pay late, the plaintiff can send you a notice saying you broke the agreement. The notice gives you a certain number of days to make the missed payment. If you don't, the plaintiff can ask the Court to enter a judgment against you by filing an "Affidavit of Breach." The Court will send you a copy of the affidavit. If you do not agree with what the plaintiff told the Court about your missed payment(s), you have 30 days to tell your side of the story by filing a written response. The Court calls your response a "Counter Affidavit."
    - The Court's settlement form says you have only 7 days to respond, but that is wrong. The Court will give you a paper explaining that you actually have 30 days to respond.
    - To be safe, you may want to add a sentence in the "Other Terms" section of the settlement agreement stating that a Counter Affidavit may be filed within 30 days (not 7 days). (See the sample in the back of this guide.)

Judgments by Agreement (JBAs) in Older Cases

It's always better to reach a settlement that does not include a judgment against you, like the Court's current Settlement Agreement form. Before the Court started using this form, its standard agreement *did* include a judgment. Municipal Court called these "Judgments by Agreement" (JBAs). These "settlements" created a judgment against the defendant right away, just as if they had lost at a trial. They were rarely a good idea for defendants. If your case is from 2024 or earlier and you made an agreement in court, it may have been a JBA.

Getting a Good Deal

The goal of a settlement is for both sides to benefit from it in some way. Make sure you benefit from yours! Tell the collector that you want and be ready to suggest terms like these:

- A reduced balance: Try to settle for less than you are being sued for. You do not have to accept the amount the plaintiff demands. You can negotiate a lower amount. For example, if you're being sued for $2,000, you could settle the case for $1,000.
    - If possible, let the plaintiff make the first offer. They often start with a higher amount than what they are willing to accept. You can then respond with a lower offer. Start with an amount below what you can afford, so you have room to negotiate.
    - While every situation is different, most plaintiffs will settle below the full amount. Some will settle for 50% of what they claim you owe. Original creditors collecting newer debts may want 65 to 80%. Debt buyers collecting older debts may accept 10 to 30% of the amount claimed.
    - If you have strong defenses that you could raise before the judge, tell the plaintiff. Settlement ranges could be much lower.
    - Generally, it's easier to reach "better" settlements (for smaller amounts) in cases filed by debt buyers than in cases filed by creditors. Debt buyers typically paid only a small amount for the debt, and original creditors usually have more proof. But all collectors will consider settlement proposals—they want to get paid!
- Payments you can afford: Before making an offer, look at your income and expenses and decide what you can realistically afford to pay. Make sure you can still cover basic needs like housing, food, utilities and transportation, and leave room for unexpected expenses. Never agree to pay more than you can afford.
    - The faster you can pay, the more likely you are to get a lower settlement. If you can offer a lump sum (one payment made all at once) or pay the settlement amount in a few larger payments (for example, 3 payments over 3 months), the plaintiff is more likely to agree to a lower total amount because collectors prefer to be paid quickly.
    - If you can't do that, you can offer small monthly payments (like $50, $25, or even $10) over a longer time, until the settlement balance is paid. Keep in mind that payment plans usually come with smaller discounts, and the plaintiff may want the agreement to allow them to seek a judgment for the full amount if you miss a payment.
    - If you agree to pay the settlement amount in a lump sum, or in a few payments, the plaintiff's lawyer may ask the court to delay your hearing date until after the final payment.

- <u>No interest added</u>: Ask to include a term that no interest will be added ("accrue") as long as you are making payments as agreed. This will keep the settlement amount from growing while you are working to pay it off.
- <u>No fees and costs</u>. Ask the plaintiff to give up (waive) any attorney's fees and court costs.
- <u>Notice of missed payment</u>: Many settlement agreements, including the Court's standard settlement form, require the plaintiff to send you a notice if they think you have missed a payment. The notice also gives you a certain amount of time to catch up. You can ask that your settlement agreement include this same requirement, which is sometimes called "notice of breach and opportunity to cure."
- <u>Debt is disputed:</u> If you dispute the debt, you may want the agreement to say that and make clear that you are not admitting you owe the amount plaintiff claims, especially if you are settling for less than the full amount.
    - If a debt is cancelled for less than the full amount owed, it may be treated as taxable income. However, if the debt is disputed, the disputed amount may not be considered as income. There are also other situations where cancelled debt may not be taxable, such as if you were insolvent (your debts were greater than your assets). If you have questions about tax consequences, speak to a tax advisor.
        - Note: If you receive a 1099-C Cancellation of Debt tax form, talk to a tax advisor. During tax season, the City of Philadelphia supports programs that provide free tax filing support for qualifying individuals.
- <u>Removal of debt from credit report.</u> You could request that the plaintiff remove negative information about the debt from your credit report or ask them to report the account as "Paid in Full." Collectors may not agree to do this, but if they do, be sure to include it in the settlement agreement.
- <u>No judgment entered:</u> Avoid a judgment being entered against you. If you settle the case before a hearing, you could ask that the case be discontinued. If plaintiff does not agree, the case may instead be marked as "settled," with no judgment entered unless you break the agreement. In that case, you should still go to your court hearing to make sure the agreement is placed on the record and no default judgment is entered.
- <u>Limits on how a judgment will be handled</u>: If you settle after losing at trial and you agree not to appeal the judgment, make sure the agreement says what you will get in return. Often, this includes limits on how the plaintiff can collect on the judgment. Common limits include a promise that the plaintiff will never try to take money from your bank account, not collect on the judgment during your lifetime, and/or not collect while you are living in your home.
    - If you also agree to make payments on the judgment, the settlement agreement should say that no interest will be added as long as you are paying as agreed.

Living with a Judgment

If you end up with a judgment against you—whether it's default judgment or one entered by a judge after a trial—a debt collector can try to force you to pay it. (The same is true if you signed a settlement agreement but missed a payment and ended up with a judgment against you.) It's important to know what debt collectors can and cannot do, and how to protect yourself.

Bank Account Garnishment

For 20 years after a judgment is entered, a collector can try to take money from your bank account to pay the judgment. This is a court process called garnishment.

- **State and federal laws protect certain kinds of income from garnishment, such as:**
    - All kinds of Social Security (SSI, SSDI, retirement, etc.),
    - Unemployment Compensation,
    - Workers' Comp,
    - Veterans' benefits,
    - Accident and disability insurance proceeds,
    - Most pensions,
    - Most retirement benefits, and
    - Life insurance proceeds.
- Your bank should also protect the first $300 in your account, no matter where the money comes from. But beyond that $300, there is NO protection for wages—the money you earn from work—once they land in your bank account. Debt collectors cannot tell your employer to take money from your paycheck to pay consumer judgments like these. (That's called wage garnishment.) **But your wages are at risk as soon as they are deposited into your bank account**.
- Account garnishment happens with no warning. It starts when a debt collector with a judgment (called a "judgment creditor") sends a garnishment order to your bank. If you have wages or other money that can be taken, your bank will freeze your account. The bank will also charge you several hundred dollars in fees. If you can't challenge the freeze, the bank will turn over the money in your account to the collector, up to the amount of the judgment.

Safer Banking

- **If you receive any Social Security payments** or other income that's protected from garnishment and electronically deposited into your account on a regular basis, **keep your money in that same account.** It's safest to have just one account. Use it to pay bills, set up automatic payments, and make cash withdrawals. If you have a second account, keep the balance in that account below $300. Your money is safest in the account where your Social Security or other protected income is directly deposited each month. That is true for income that is protected and income that is not. As long as that account has $10,000 or less in it, it should not be frozen.

- **If you keep wages or other unprotected money in your bank account**, **keep your account balance below $300.** If you're a worker, your wages will not be safe if they are directly deposited into a regular bank account. Instead, ask your employer for a paper check or to have your pay direct deposit to a prepaid debit card. Some employers offer a prepaid payroll card, or you can get your own and give your employer the account information. Prepaid cards are not 100% safe from garnishment but are much safer than a regular bank account.

Dealing with a Frozen Bank Account

If you find out that your bank account has been frozen because of a garnishment order, you have the right to go to your bank and **take out $300 in cash**, no matter what kind of money is in your account. To limit the damage, try to **stop any new money** from coming into your account. You should also **cancel any scheduled bill payments** or automatic payments from your account until you can get it unfrozen. You might be able to challenge the garnishment and get some or all of your money unfrozen.

- **If your account receives Social Security** or another protected payment electronically, your bank probably made a mistake by freezing it. **Get legal help right away.** If you qualify for our free services, CLS can sometimes get the bank to fix its mistake and release the account quickly. If you don't qualify for CLS and cannot afford a lawyer, you can challenge the freeze by visiting the Sheriff's Office in the Land Title Building at 100 S. Broad Street, 5th Floor. Ask to file a **Claim for Exemption**. A copy is included in the Appendix of this guide.
    - To find out if CLS can help, review the "Getting Legal Help" section at the end of this guide.
- **If your frozen account holds protected money (like Social Security) that was *not* electronically deposited there, you can ask for a court hearing to prove that and get the money unfrozen.** This might happen if you moved Social Security money from the account where it was received into a second account. You will need to visit the Sheriff's Office and ask to file a **Claim for Exemption**.
- **If your frozen account includes money that belongs to *someone else*** (like if you share an account), a debt collector should not be able to use garnishment to take that person's money. That person should go to the Sheriff's Office and ask to file a **Petition to Intervene**. A copy is included in the Appendix of this guide.
- When you or someone else goes to the Sheriff's Office to challenge a garnishment, you will need to pay a filing fee or ask for a fee waiver. To ask for a fee waiver, ask to fill out a **fee waiver form** (called an "IFP" request). The Sheriff will file that form with Municipal Court, and a hearing will be scheduled. At that hearing, a judge will decide whether the account, or some money in it, should be released. A copy of the fee waiver form is included in the Appendix of this guide.

If you own your home

- A judgment in a collection case becomes **a lien against your home** as soon as it is entered. If you own other property in Philadelphia, the lien applies to that property, too. A lien is a public record that shows you owe money to someone and that they have the right to collect that debt against the value of your home.
- A lien lowers the equity in your home by the amount of the judgment. This can make it harder to get a loan modification, refinance your mortgage, or save your home from foreclosure. It can also make it harder for a relative or someone else to get clear title to your home in the future. If you sell or refinance, you will usually have to pay the judgment from the sale or refinance money. These are the main problems a lien causes.
    - In most cases, you do NOT have to worry about a collector forcing the sale of your home. Although the law technically allows a collector to try to collect through a sheriff sale of your home or car, that almost never happens in cases like these. If a collector threatens to do that, get legal help right away. Read the "Get Legal Help" section at the end of this guide.
- If you are married and own your home with your spouse as "tenants by the entireties," AND the judgment is against only one of you, your home is protected.

Threats to Sell Your Personal Property

Pennsylvania law protects very little of your personal property from debt collectors that have a judgment against you. Some collectors may threaten to sell your personal property (your belongings) to collect on the judgment. These threats can be scary! But collectors usually try to collect in easier ways, like getting paid through a lien if you sell your home. They usually do *not* try to take and sell your belongings.

- Some people who called CLS have said that a collection lawyer threatened to sell their car through a sheriff sale. Others said that a sheriff came to their home, left a business card taped to the door, or even looked around inside to see what valuables were there. Although debt collectors with a judgment have the right to ask the sheriff's office to do this, it is not common. CLS lawyers generally do not see collectors actually follow through with sheriff sales of personal property for low- or moderate-income people. It seems that these actions are tactics that collection lawyers use to pressure people into paying.
- Another tactic is sending a notice that the defendant must show up for a "Deposition in Aid of Execution." If you get a notice like this, seek legal help. If you have a limited income, call CLS at 215-981-3700 for advice.

Post-judgment interest

When a court enters a money judgment, it is for a specific amount. But over time, the judgment can grow. Pennsylvania law allows collectors to add 6% interest to the judgment each year. For example, a $2,000 judgment entered today would grow by $600 over 5 years, for a total of $2,600. When a judgment grows, so does the lien on any home.

New Debt Buyers on Old Judgments

Sometimes a new debt collector will contact you about a judgment that was entered in the name of another debt collector. This can happen when a debt buyer buys the judgment (and the right to collect on it) from the collector that originally got the judgment. This can get very confusing. That's because many collection lawsuits are filed by debt buyers instead of the creditors that lent the money. For example, imagine you fell behind on payments for a credit card from Big Bank 123. A few years later, Debt Buyer ABC sued you for that debt and won a judgment. Many years after that, Debt Buyer DEF—a collector you have never heard of—could freeze your bank account or call to demand payment on that same judgment.

- **You should not make any payment to a debt collector until they show proof that they own the judgment.** As explained below, you always have the right to ask for this proof in writing.

Your Rights as a Consumer (no matter what debt you owe!)

Protection from harassment and abuse

It is illegal for a debt collector to harass, abuse, or mislead you. That is true no matter how much debt you owe or whether you have been sued. State and federal laws protect you and say what collectors can and cannot do. **Debt collectors, including collection lawyers and debt buyers, should never:**

- Threaten you or lie. You will NOT be arrested for a debt. You will NOT go to jail.
- Yell at you, curse, or call you names.
- Harass you with repeated calls, early in the morning (before 8am), late at night (after 9pm), or at any time or place that you say is not okay, including when you are at work.

Your right to control if and how debt collectors communicate with you

You also have the right to control if, when, and how collectors contact you, and to get basic information about the debt, in writing. **You can tell them:**

- *When* they may or may not contact you (for example, only after 4pm, never at your workplace);
- *How* you want them to contact you (for example, only by mail, never on social media, never by phone call or text);
- To *leave you alone* altogether! You can't make a debt collector end its lawsuit against you, but you *can* tell them to stop contacting you (to "cease communication").
- That you want information in writing about the debt they are trying to collect ("validation" of the debt). When anyone other than the original creditor is trying to collect, this includes proof that the collector contacting you owns the debt.

Fill-in-the-blank letters

It's best to make these requests in writing. You can find fill-in-the-blank letters at the end of this guide.

Suing a Debt Collector

If a debt collector breaks the law in any of these ways, including by ignoring your request about how you want them to contact you, you may have a legal claim against them. If you win, the collector would have to pay you. Consumer lawyers handle these cases at no cost to you because they can get paid by the other side if you win.

Filing a Complaint

You can report debt collectors who break the law to government agencies that enforce consumer protection laws. Filing a complaint is free and can help stop illegal behavior. You can submit a complaint to the Pennsylvania Office of the Attorney General and the federal Consumer Financial Protection Bureau (CFPB).

- Pennsylvania Office of the Attorney General:
  - Online: https://www.attorneygeneral.gov/submit-a-complaint/consumer-complaint/
  - By phone: 800-441-2555
- Consumer Financial Protection Bureau:
  - Online: https://www.consumerfinance.gov/complaint/
  - By phone: 855-411-2372; TTY 855-729-2372

Getting Legal Help

You do not have to have a lawyer to fight your case in Municipal Court. The rules there are more relaxed than in other courts. It's supposed to be a place where people can represent themselves. We hope that this guide makes you feel more ready to do that. But some people want a lawyer and, if you can get one, you are more likely to win. If you want legal help, here are good places to start:

Free legal help from CLS for Philadelphians with limited income

If you live in Philadelphia and have limited income, **you might qualify for free legal services from our office: Community Legal Services (CLS)**. CLS may be able to give you legal advice or represent you in the case.

Call CLS's live hotline at 215-981-3700 (Monday to Thursday, 9am–3pm) or visit one of our offices at 1424 Chestnut Street or 1410 W. Erie Ave (Tuesday or Thursday, 9am-noon). Details about how to get help at CLS are online here. CLS cannot represent everyone who needs help, so there are some people who are eligible for our services but will still need to look elsewhere.

Philadelphia Legal Assistance (PLA)

Philadelphia Legal Assistance (PLA) also provides free legal advice about debt collection lawsuits to **Philadelphians with low-incomes** and may be able to refer you to programs that can help you find a volunteer lawyer for representation in the debt collection lawsuit or in filing a Chapter 7 bankruptcy.

You can call PLA's General Intake Hotline at 215-981-3800 between 9:30 a.m. and 12 p.m. Monday to Thursday, or apply online at https://philalegal.org/apply .

Hiring a private lawyer

If you cannot get free legal help through CLS, you can **hire a private attorney**. It's best to hire a lawyer with experience in consumer law for help with defending a lawsuit or bankruptcy law if you are considering filing.

- You can see a list of consumer lawyers in the area by visiting the website for the National Association of Consumer Advocates.
- You can also contact the Philadelphia Bar Association's lawyer referral service online or at 215-238-6333. Ask for a consumer attorney with experience defending debt collection lawsuits. Your first consultation with a lawyer will cost $35.

Appendix

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Continuance Request Template

To reschedule your hearing, send a written request like the one below to the Court at least 10 days before your hearing date. You can:

- **Email (best method)** to mcclaims@courts.phila.gov and include (cc) plaintiff lawyer's email if you have it; or
- **Fax** to 215-569-9254; or
- **Mail** to John Joyce, Deputy Court Administrator, 1339 Chestnut Street, Room 1020, Philadelphia, PA 19107; or
- **Hand-deliver** to 1339 Chestnut Street, 10th Floor

Regardless of how you send your request, **call the Court at 215-686-2910** after you send it to make sure it was received.

Then, be sure to the docket to see if the Court agrees to reschedule your case. If it does not and you don't attend the hearing, a judgment can be entered against you.

Dear Mr. Joyce,

I am the defendant in ____________ v. ____________ (SC-___-___-___-______) [*case name and number*], which is currently set for a hearing in Room 5 on_________[*date*]. I am requesting a continuance because____.

The lawyer for the plaintiff is included on this email.

I can be reached by phone at ____________________ [*your phone #*].

I certify that this filing complies with the provisions of the Case Records Public Access Policy of the Unified Judicial System of Pennsylvania that require filing confidential information and documents differently than non-confidential information and documents.

Thank you for your help,

____

[*Your Name*]

If You Are Collection Proof Letter Template

Date: ________________

To: __________________________ (Name)

__________________________ (Street Address)

__________________________ (City, State, Zip Code)

Re: Collection Proof Status; Cease Collection and Contact Request

To whom it may concern:

You contacted me recently about an alleged debt. You identified the debt as [list account # here if you have it]:____.

I am writing to request that you cease collection on this account and that you cease all contact with me immediately and permanently. I am "collection proof." I do not have income or assets that can be seized. My only source of income is: _______________________________________.

Even if this debt were valid, I cannot afford to make any payments. Given my financial hardship and my "collection proof" status, I request that you cease collection on this account, including ending any lawsuits filed.

If you do not agree to close this account and end any lawsuits, then please consider this a request that you cease contact with me. Under the Federal Fair Debt Collection Practices Act it is illegal for collectors to continue to contact a consumer after that person has requested that communications stop. In addition, Pennsylvania's Fair Credit Extension Uniformity Act prohibits unfair and abusive debt collection tactics and/or harassment by any collect or creditor. At this time, there is no purpose to be served by your continued attempts to contact me other than harassment.

If you stop your collection of this alleged debt, and forward or return it to another company, please make that company aware of this request. Thank you for your prompt and complete cooperation.

Sincerely,

___________________________ (Signature)

___________________________ (Printed Name)

___________________________ (Street Address)

___________________________ (City, State, Zip Code)

Date: ______________

To: ________________________

____

____

Sending by certified mail

Re: Dispute and Request for Verification – Acct. # ___________________________

To whom it may concern:

I am disputing the debt listed above. **Please verify this debt** as required by the Fair Debt Collection Practices Act, 15 U.S.C. Section 1692g. Specifically, please provide me with:

- The name and address of the original creditor;
- A copy of the alleged agreement between the original creditor and me;
- If you are not the original creditor, proof of your ownership and/or right to collect on this debt;
- Documentation of the amount claimed to be due, including a payment history.

Record my dispute of this debt. If you forward or return this debt to another company, please notify that company of this dispute. If you report this account to a credit bureau or have already done so, report that the debt is disputed.

If you believe for any reason that you are not required to verify this debt, please let me know that in writing, and explain why. Your obligations to accurately record and report my dispute do not change. Thank you for your cooperation.

Sincerely,

____

Signature

____

Print

Certificate of Compliance Template Language

If you can, include the sentence below when emailing the Court to ask to reschedule your hearing, for an interpreter, or about a disability (ADA) accommodation:

> "I certify that this filing complies with the provisions of the Case Records Public Access Policy of the Unified Judicial System of Pennsylvania that require filing confidential information and documents differently than non-confidential information and documents."

The Court's Certificate of Compliance Form is on the next page. But if you are unable to use it, they allow you to include the language above in any emails you send to the Court.

Certificate of Compliance Form

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

Submitted by: ______________________________

Signature: _________________________________

Name: ____________________________________

Attorney No. (if applicable): ________________

CONFIDENTIAL DOCUMENT FORM

APPELLATE/TRIAL COURT CASE RECORDS

Public Access Policy of the Unified Judicial System of Pennsylvania:
Case Records of the Appellate and Trial Courts
204 Pa. Code § 213.81
www.pacourts.us/public-records

____
(Party name as displayed in case caption)

____
Docket/Case No.

Vs.

____
(Party name as displayed in case caption)

____
Court

This form is associated with the pleading titled ___________________________, dated _________________, _____.

Pursuant to the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts*, the Confidential Document Form shall accompany a filing where a confidential document is required by law, ordered by the court, or is otherwise necessary to effect the disposition of a matter. This form shall be accessible to the public, however the documents attached will not be publicly accessible, except as ordered by a court. The documents attached will be available to the parties, counsel of record, the court, and the custodian. **Please only attach documents necessary for the purposes of this case**. Complete the entire form and check all that apply. This form and any additional pages must be served on all unrepresented parties and counsel of record.

Type of Confidential Document	**Paragraph, page, etc. where the confidential document is referenced in the filing:**
☐ Financial Source Documents ☐ Tax Returns and schedules	
☐ W-2 forms and schedules including 1099 forms or similar documents	
☐ Wage stubs, earning statements, or other similar documents	
☐ Credit card statements	
☐ Financial institution statements (e.g., investment/bank statements)	
☐ Check registers	
☐ Checks or equivalent	
☐ Loan application documents	
☐ Minors' educational records	
☐ Medical/Psychological records	
☐ Children and Youth Services' records	
☐ Marital Property Inventory and Pre-Trial Statement as provided in Pa.R.C.P. No. 1920.33	
Income and Expense Statement as provided in Pa.R.C.P. No. 1910.27(c)	
☐ Agreements between the parties as used in 23 Pa.C.S. §3105	

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

____
Signature of Attorney or Unrepresented Party

____
Date

Name: ___________________________________

Attorney Number: (if applicable) __________________

Address: __________________________________

____

Telephone: ______________________________________

Email: ____

Instructions for Completing the Confidential Document Form

The following documents are confidential and shall be filed with a court or custodian with the "Confidential Document Form":

1. Financial Source Documents as listed on the form
2. Minors' educational records
3. Medical/Psychological records are defined as "records relating to the past, present, or future physical or mental health or condition of an individual"
4. Children and Youth Services' records
5. Marital Property Inventory and Pre-Trial Statement as provided in Pa.R.C.P. No. 1920.33
6. Income and Expense Statement as provided in Pa.R.C.P. No. 1910.27(c)
7. Agreements between the parties as used in 23 Pa.C.S. §3105

For each confidential document, list the paragraph, page, etc. where the document is referenced in the filing. Please note, this form does not need to be filed in types of cases that are sealed or exempted from public access pursuant to applicable authority (e.g. juvenile, adoption, etc.)

- **Please only attach documents necessary for the purposes of this case**.
- Complete the entire form and check all that apply.
- This form, and any additional pages, must be served on all unrepresented parties and counsel of record.

A court or custodian is not required to review or redact any filed document for compliance with the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts*. A party's or attorney's failure to comply shall not affect access to case records that are otherwise accessible.

If a filed document fails to comply with the above referenced policy, a court may, upon motion or its own initiative, with or without a hearing, order the filed document sealed, redacted, amended or any combination thereof. A court may impose sanctions, including costs necessary to prepare a compliant document for filing in accordance with applicable authority.

Disability Accommodation (ADA) Request Form and Instructions

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
AMERICANS WITH DISABILITIES ACT (TITLE II) POLICY

The First Judicial District of Pennsylvania (District) complies with Title II of the Americans with Disabilities Act (ADA) which provides that "no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity." 42 U.S.C.A. §12132. Pursuant to that requirement, if you are an individual with a disability who needs accommodation to participate in any judicial proceeding or any other service, program, or activity of the District, you are entitled, at no cost to you, to the provision of certain assistance. The ADA does not require the First Judicial District of Pennsylvania to take any action that would fundamentally alter the nature of its programs or services or impose an undue financial or administrative burden.

If you require accommodation under the ADA, it is recommended that you make your request two (2) weeks before the scheduled participation in any court proceeding or District program or activity. All requests for accommodation, regardless of timeliness, will be given due consideration and if necessary, may require an interactive process between the requestor and the First Judicial District of Pennsylvania to determine the best course of action.

To request reasonable accommodation, please complete the *Request for Reasonable Accommodation Form* and return it to the Lead ADA Coordinator(s) for the FJD. Please call 215-686-2547.

If you need assistance completing this form, contact the Lead ADA Coordinator.

Complaints alleging violations of Title II under the ADA may be filed pursuant to the First Judicial District of Pennsylvania's **Grievance Procedure** with the below:

Lead ADA Coordinator
First Judicial District of Pennsylvania
Maria A. Pugliese
234-236 City Hall
Philadelphia, PA 19107
(215)686-2527/48
Maria.Pugliese@courts.phila.gov

A response will be sent to you after careful review of the facts.

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA

AMERICANS WITH DISABILITIES ACT (TITLE II)
REQUEST FOR REASONABLE ACCOMMODATION FORM
(INCLUDES REQUEST FOR INTERPRETER FOR HEARING /SPEECH IMPAIRED)

Client Information – Section A

Name: ______________________ Phone: ______________________

Address: ______________________ Email: ______________________

______________________ Mobile: ______________________

Please check the box that most closely describes your status in this matter:

☐ Litigant ☐ Plaintiff ☐ Defendant ☐ Parent ☐ Child ☐ Witness ☐ Attorney ☐ Victim ☐ Juror

☐ Other (please explain) ______________________

Requestor Information ***(if different from above)***

Name: ______________________ Bus. Phone/ Mobile: ______________________

Address: ______________________ Fax: ______________________

______________________ Email: ______________________

Relationship to Client: ______________________ TTY: ______________________

Accommodation

Nature of the disability for which accommodation is requested: ______________________

Accommodation requested: ______________________

Location of Proceeding

☐ **Municipal Court** ☐ Criminal ☐ Civil ☐ Traffic ______

☐ **Court Of Common Pleas**

☐ Trial Division-Criminal ☐ Trial Division- Civil ☐ Orphans' Court Division

☐ Family Division ☐ Adult ☐ Juvenile

Specify Address: ______________________

Proceeding Information ***(if known)***

Case #: ______________________

Case Name ______________________

Judge: ______________________

Court Date and Time: ______________________

Case Type: ______________________

AFTER COMPLETING THE FORM, PLEASE SEND TO THE ADA COORDINATOR FOR YOUR COURT, DIVISION OR DEPARTMENT. AN UPDATED LIST IS AVAILABLE ON THE FJD WEBSITE AT: www.courts.phila.gov/ada.asp

I hereby certify that an Americans with Disabilities Act accommodation is required in the above-captioned action on the date stated.

Signature: ______________________ **Date:** ______________________

FOR OFFICIAL USE ONLY

Service Provider Information - Section B

A SERVICE REQUEST HAS BEEN MADE FOR THE CLIENT NAMED ABOVE.

Service Provider Company: ______________________ Fax: ______________________

Individual Interpreter Name: ______________________ Email: ______________________

Bus. Phone/ Mobile: ______________________ Date to Provider: ______________________

Court Official Verification – Section C

VERIFYING OFFICIAL SHALL MAINTAIN A COPY IN THE COURT'S CASE FILE AND PROVIDE THE ORIGINAL TO THE SERVICE PROVIDER FOR SUBMISSION WITH BILLING.

I hereby verify that the services were performed by the provider in the above-captioned action on the date and time stated.

Start Date & Time: ______________________ End Date & Time: ______________________

Court Official: ______________________ Signature: ______________________
(Please print name)

Title: Date:

Sample Out of Court Settlement Discontinuing Case

<u>SETTLEMENT AGREEMENT</u>

This Settlement Agreement ("Agreement") is made by and between Consumer Defendant ("Ms. Defendant") and Debt Collector. ("Plaintiff Debt Collector").

WHEREAS, Plaintiff Debt Collector initiated a civil action against Ms. Defendant in Philadelphia Municipal Court, SC-26-01-23-4567 (the "Action") seeking to collect $5,000.00, plus costs, on an allegedly defaulted credit account identified with an account number ending in 0001 allegedly made between Big Bank and Ms. Defendant, (the "Account");

WHEREAS, Ms. Defendant denied the debt as claimed;

WHEREAS, in order to avoid the possible future costs, burdens or distractions of litigation, Ms. Defendant and Plaintiff Debt Collector now desire, and through the execution of this Agreement intend, to dispose of and resolve fully and completely the Action; and

NOW THEREFORE, in consideration of the mutual covenants, promises and undertakings set forth below, the adequacy and sufficiency of which are hereby expressly acknowledged by each of the parties hereto, Ms. Defendant and Plaintiff Debt Collector each hereby agree as follows:

1. Plaintiff Debt Collector warrants that it is the current owner of the Account at issue in the Action and that it has not assigned any of its rights and claims to the Account.
2. Ms. Defendant disputes the amount of the alleged balance of the Account. This Agreement represents a compromise of disputed claims.
3. Plaintiff Debt Collector agrees to accept and Ms. Defendant agrees to pay the sum of $1500.00 with no interest, through six (6) monthly payments of $250 as full and complete satisfaction of the Account;
4. Payments shall be made payable to Plaintiff Debt Collector and sent to 123 Broad St. Philadelphia, PA 19100 beginning on May 1, 2026.
5. Subsequent payments shall be due on the 1st of each month until paid in full.
6. Within five (5) days of receipt of a copy this Agreement executed by Ms. Defendant and the first payment, Plaintiff Debt Collector shall discontinue the Action.
7. If Ms. Defendant fails to timely pay as agreed, Plaintiff Debt Collector shall send a Notice of Late Payment to Ms. Defendant. Ms. Defendant shall then have twenty (20) days to cure from the date of said Notice. Any cure of nonpayment does not change or alter the due date of subsequent payments.
8. Plaintiff Debt Collector agrees to take all steps necessary to ensure that no credit report or credit reference that can be construed unfavorably is made to any consumer reporting

agency ("CRA") regarding the Account. Plaintiff Debt Collector further agrees that, within twenty (20) days of Ms. Defendant's final payment, thereby satisfying the Account, Plaintiff Debt Collector shall send notice to each CRA to which it has reported any information about Ms. Defendant, asking that the CRAs delete any tradelines relevant to the Account.

9. This Agreement shall be governed by and construed in accordance with the laws of Pennsylvania without regard to conflict of law provisions.

10. This Agreement may be executed in several counterparts, each of which shall be considered to be an original or total copy of this Agreement.

11. This Agreement is binding upon the parties' heirs, successors and assigns.

12. Counsel executing this Agreement for any party has done so only after discussing the terms with counsel's client and having obtained the client's authorization to execute the Agreement on the client's behalf.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have each executed this Agreement on the dates set forth below.

Plaintiff

Date: By:___

Printed Name:________________________________

Title:____

Consumer Defendant
Address
Philadelphia, PA 19100

Date:

PHILADELPHIA MUNICIPAL COURT
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA

SMALL CLAIMS COMPLAINT
SC-26-01-23-4567

DEBT COLLECTOR *Plaintiff(s)*	CONSUMER DEFENDANT *Defendant(s)*

SETTLEMENT AGREEMENT

All Parties agree to the following:

[ ] Payment Terms

Defendant(s) agree(s) to pay and Plaintiff agrees to accept the amount of $ 1000.00 in full and complete satisfaction of the claims brought in this case, as follows:

1. $ 100.00 due on MAY 1, 2026 and then $ 100.00 per ____________ period thereafter until paid in full. The first ________________________ payment is due on 5/1/2026
2. Simple interest accrue will accrue at the rate of 0 %. If the interest rate is above the statutory rate of 6%, Plaintiff's authority to collect this interest is based on ____.
3. All payments shall include account number 12345 . All amounts shall be paid to DEBT COLLECTOR by the following means:

☐ Mail: Send a Check or Money Order addressed to ADDRESS OF DEBT COLLECTOR

☐ Phone: Use a Debit or Credit Card at phone number________________________

☐ Online: Use a Debit or Credit Card at website________________________

☐ Automatic Debit from Bank Account________________________

☐ Other:________________________

4. If Defendant(s) fail(s) to timely pay as agreed, Plaintiff shall send a Notice of Default to Defendant(s) and Defendant's Attorney. If Notice is sent, Defendant(s) shall have a chance to make the missed payment. Plaintiff must receive that payment within 20 days after the date of said Notice. If the Defendant(s) fail(s) to cure the default, Plaintiff may file an Affidavit of Breach seeking Judgment on the remaining balance due.
5. If the Plaintiff(s) or Defendant(s) believe(s) that any of the terms of the Settlement Agreement have been violated, including the failure to cure within the time period allowed for the Notice of Default, then the Plaintiff(s) or Defendant(s) may file an Affidavit of Breach with the Philadelphia Municipal Court, 1339 Chestnut Street, Widener Building, 10th Floor, Philadelphia, PA 19107.
6. If an Affidavit of Breach is filed claiming that there has been a violation of the terms of the Settlement Agreement, the court will send the Affidavit of Breach to the other parties in the case. Any party may file a Counter-Affidavit within seven days, excluding weekends and legal holidays, of the date that the Affidavit of Breach was sent by the court. The Affidavit of Breach and any Counter-Affidavit(s) will be reviewed in order to determine if a hearing is warranted.
7. If the Plaintiff(s) file(s) an Affidavit of Breach and no Counter-Affidavit is filed or if the court determines that there was a violation of the terms of the Settlement Agreement, the Plaintiff may then be entitled to a judgment against the Defendant(s) in the amount of the outstanding balance due under the terms of this Settlement Agreement.

[ ] Other Terms [Parties to enter any other terms here.]

1. The parties expressly agree that Defendant has 30 days from service of any Affidavit of Breach to file a Counter Affidavit.
2. Plaintiff warrants that it is the current owner of the account at issue in the action and that it has not assigned any of its rights and claims to the account.
3. Defendant disputes the amount of the alleged balance of the account. This Agreement represents a compromise of disputed claims.
4. Plaintiff agrees to take all steps necessary to ensure that no credit report or credit reference that can be construed unfavorably is made to any consumer reporting agency ("CRA") regarding the account. Plaintiff further agrees that, within twenty (20) days of Defendant's final payment, thereby satisfying the account, Plaintiff shall send notice to each CRA to which it has reported any information about Defendant, asking that the CRAs delete any tradelines relevant to the account.

I agree to the above settlement terms.

Plaintiff’s Signature	First Defendant’s Signature
Plaintiff’s Telephone Number	First Defendant’s Telephone Number
Plaintiff’s Attorney	First Defendant’s Attorney
Plaintiff’s Attorney ID and Telephone Number	Defendant’s Attorney ID and Telephone Number
	Second Defendant’s Signature
	Second Defendant’s Telephone Number
	Second Defendant’s Attorney
	Defendant’s Attorney ID and Telephone Number

Notice of Language Rights

1339 Chestnut Street, 10th Floor, Philadelphia, PA 19107
Elizabeth McCarrick 215-683-8000
languageaccesscoordinator@courts.phila.gov

English: You have the right to an interpreter at no cost to you. To request an interpreter, please inform court staff using the contact information provided at the top of this notice.

Spanish/Español: Usted tiene derecho a un intérprete libre de costo. Para solicitar un intérprete favor de informárselo al personal judicial utilizando la información provista en la parte superior de este aviso.

Mandarin/Cantonese Simplified Chinese/普通话/粤语简体中文: 您有权获得免费的口译员服务。若需要口译员，请使用
本通知上方提供的联系信息通知法院工作人员。

Mandarin/Cantonese Traditional Chinese/普通話/廣東話繁體中文: 您有權要求免費傳譯服務。如欲要求傳譯服務，請參
閱本通知頂部的聯絡資料，通知法庭職員。

Arabic/العربية : يحق لك الحصول على مترجم دون دفع أي تكلفة من جانبك. لطلب مترجم، يُرجى إعلام موظفي المحكمة باستخدام معلومات الاتصال المقدمة في الجزء العلوي من هذا الإشعار.

Russian/Русский: У вас есть право на бесплатные услуги переводчика. Заявка на переводчика подается в суд по адресу, телефону или эл. почте, указанным выше в заголовке этого уведомления.

Vietnamese/Tiếng Việt: Quý vị có quyền được một thông dịch viên giúp mà không tốn chi phí nào cả, xin hãy báo cho nhân viên tòa án dùng thông tin liên lạc có ở trên đầu thông báo này.

Nepali/नेपाली: तपाईंको निःशुल्क रूपमा भाषा अनुवादक राख्न पाउने अधिकार छ। अनुवादकको लागि अनुरोध गर्न, यस सूचनाको माथि दिइएको सम्पर्क जानकारी भरेर अदालतका कर्मचारीहरूलाई जानकारी दिनुहोस्।

Korean/한국어: 귀하는 비용에 대한 부담 없이 통역 서비스를 받을 권리가 있습니다. 통역 서비스를 요청하려면 본 통지서의 상단에 기재된 연락처를 통해 법원 직원에게 알리십시오.

Polish/Polski: Ma Pan/Pani prawo do nieodpłatnego skorzystania z usług tłumacza ustnego. Aby zwrócić się o wsparcie ze strony tłumacza ustnego, proszę skontaktować się z pracownikami sądu, korzystając z danych znajdujących się w górnej części niniejszego dokumentu.

Punjabi/ پنجابی /Pakistan: تہاڈے کول بغیر ادائیگی کیتیاں اک مترجم حاصل کرن دا حق اے۔ مترجم دی درخواست کرن لئی، میربانی کر کے ایس نوٹس دے اُوتے فراہم کیتیاں رابطے دیاں معلومات نوں ورتدیاں عدالت دے عملے نوں اطلاع دوو۔

Punjabi/ ਪੰਜਾਬੀ /India: ਤੁਹਾਨੂੰ ਇਕ ਦੁਭਾਸ਼ੀਆ ਹਾਸਲ ਕਰਨ ਦਾ ਹੱਕ ਹੈ, ਜਿਸ ਦੀ ਤੁਹਾਨੂੰ ਕੋਈ ਲਾਗਤ ਨਹੀਂ ਲੱਗੇਗੀ। ਦੁਭਾਸ਼ੀਏ ਲਈ ਬੇਨਤੀ ਕਰਨ ਵਾਸਤੇ, ਕਿਰਪਾ ਕਰ ਕੇ ਅਦਾਲਤ ਦੇ ਅਮਲੇ ਨੂੰ ਜਾਣੂ ਕਰਵਾਓ ਤੇ ਇਸ ਲਈ ਇਸ ਨੋਟਿਸ ਦੇ ਸਿਖਰ ਉਤੇ ਦਿੱਤੀ ਸੰਪਰਕ ਜਾਣਕਾਰੀ ਦਾ ਇਸਤੇਮਾਲ ਕਰੋ।

Portuguese/Português: Você tem direito a um intérprete gratuitamente. Para solicitar um intérprete, informe à nossa equipe usando os dados de contato mostrados na parte superior deste aviso.

Somali/Somaali: Waxaad xaq u leedahay in lagu turjumo lacag la'aan ah. Si aad u codsato turjumaanka, fadlan u sheeg maxkamadda shaqaalaha adiga oo isticmaala macluumaadka ciwaanka kor lagu siiyay ee ogeysiiskaan.

Haitian Creole/Kreyòl Ayisyen: Ou gen dwa resevwa sèvis yon entèprèt gratis. Pou mande pou yon entèprèt, tanpri fè manm pèsonèl tribinal la konnen lè ou sèvi avèk enfòmasyon an yo te bay ou nan tèt avi sa a.

French/Français : Vous avez le droit de bénéficier gratuitement de l'assistance d'un interprète. Pour en faire la demande, veuillez en informer le personnel du tribunal à l'aide des coordonnées indiquées en haut de page.

Claim for Exemption Form

PLAINTIFF ________________________ VS. DEFENDANT ______________________
Court & Term No. ________________________ Claim No. ___________________________

CLAIM FOR EXEMPTION

TO THE SHERIFF:

I, the above-named defendant, claim exemption of property from levy (1) or attachment (2):

(1) From my personal property in my possession which has been levied upon,

(a) I desire that my $300.00 statutory exemption by

[ ] (I) set aside in kind (specify property to be set aside in kind):

____

[ ] (II) paid in cash following the sale of the property levied upon; or

(b) I claim the following exemption (specify property and basis of exemption)

____

(2) From my property which is in the possession of a third party, I claim the following exemptions:

(a) my $300.00 statutory exemption [ ] in cash [ ] in kind
(specify property):_____________________________

____

(b) Social Security benefits on deposit in the amount of : $______________

(c) Other (specify amount and basis of exemption): ___________________

____

I request a prompt court hearing to determine the exemption.
Notice of the hearing should be given to me at: (Name, Address & Telephone Number)

____

____

I verify that the statements made in this Claim for Exemption are true and correct. I understand that false statements herein are made subject to the penalties of 18 PA.C.S. Section 4904 relating to unsworn falsification to authorities.

Date: _________ Defendant(s): ________________________________
Phone #_______________Address: ________________________________
City, Zip: ________________________________

THIS CLAIM TO BE FILED WITH: Office of the Sheriff of Philadelphia County
Land Title Building
100 South Broad Street, Fifth Floor
Philadelphia, PA 19110 (215) 686-3559/60

Note: Under paragraphs (1) and (2) of the writ, a description of specific property to be levied upon or attached may be set forth in the writ or included in a separate direction to the Sheriff.

Under paragraph (2) of the writ, if attachment of a named garnishee is desired, his name should be set forth in the space provided.

Under paragraph (3) of the writ, the Sheriff may, as under prior practice, add as a garnishee any person not named in this writ may be found in possession of property of the defendant. See Rule 3111(a). For limitations on the power to attach tangible personal property, see Rule 3108(a).

(b) Each court shall by local rule designate the officer, organization or person to be named in the notice.

MAJOR EXEMPTIONS UNDER PENNSYLVANIA AND FEDERAL LAW

(1) $300.00 statutory exemption
(2) Bibles, school books, sewing machines, uniforms and equipment
(3) Most wages and unemployment compensation
(4) Social Security benefits
(5) Certain retirement fund and accounts
(6) Certain veteran and armed forces benefits
(7) Certain insurance proceeds

EXHIBIT “A-1”

PLAINTIFF ________________________ VS. DEFENDANT ______________________
Court & Term No. ________________________ Claim No. ___________________________

FINANCIAL STATEMENT

(a) Name: ____
Address: ____
____________________________________Phone Number______________
Social Security Number: ____________________________

(b) Employment: If you are recently employed, state
Employer: ____
Address: ____
________________________________Phone Number__________________
Salary or wages per month: ____
Type of work: ____

(c) Other Income within the past twelve (12) months:
Business or Profession: ____
Other Self-Employment: ____
Interest: ______________________ Dividends: ______________________________
Pension and Annuities: ____
Social Security Benefits: ________________ Support Payments: _________________
Disability Payments: ____
Unemployment Compensation/Workers Compensation:
____
Public Assistance: ___________________________ Other: _______________________

(d) Other Contributions to Household Support
(Wife) (Husband) Name: ____
If your (Wife/Husband) is employed, state:
Employer: ____
Salary or wages per month: ____
Type of Work: ____
Contributions from Children: ____
Contributions from Parents: ____
Other Contributions: ____

(e) Property Owned:
Cash: ____
Checking Account: _____________________ Savings Account: __________________
Certificates of Deposit: ____
Real Estate (including home): ____
____
Motor Vehicle: Make: ____________________________ Year: ___________
Cost: ___________________ Amount Owed: ___________
Stocks/bonds: ____

(f) Debts and Obligations
Mortgage: _________________________ Rent: ______________________________
Loans: ____________________________ Other: ______________________________

(g) Persons Dependent Upon You for Support
(Wife/Husband) Name: ____
Children, if any:
Name: ____________________________________ Age: ______
____________________________________ Age: ______
____________________________________ Age: ______
Other Persons:
Name: ____
Relationship: ___________________________________

EXHIBIT “H-1”