# Can Creditors Sue Me?

Yes, creditors and the collection agencies that purchase debt can file a lawsuit over an unpaid balance. It does not happen in every case, but it is a real possibility worth understanding rather than dismissing.

## What makes a lawsuit more or less likely

- ✓ **The size of the balance.** Larger debts are more likely to be pursued through litigation, since the cost of filing a suit needs to be worth it relative to what could be recovered.
- ✓ **How long the account has been delinquent.** Creditors and debt buyers have a limited window, the statute of limitations, in which they can sue over a debt. That window varies by state and debt type.
- ✓ **Whether the debt has been sold.** Debt buyers who purchased an account at a steep discount sometimes pursue litigation more aggressively than the original creditor would have, since even a partial recovery can be profitable for them.

## If you are served with a lawsuit

Respond by the deadline listed on the paperwork. Ignoring a lawsuit typically results in a default judgment against you, which hands the creditor additional legal tools, like wage garnishment or a bank levy, depending on your state. This is a legal matter, and speaking with an attorney about your specific situation is worth doing.

## Does being in a settlement program prevent a lawsuit?

No program can guarantee a creditor will not sue. What settlement does is work to resolve accounts before that becomes necessary, but litigation remains a real possibility during the period accounts are delinquent, which is part of the trade-off inherent to how settlement works.