What Happens If I Ignore My Debt?

Ignoring debt does not make it disappear. It tends to follow a fairly predictable path, and most of the outcomes are worse than addressing it directly, even if addressing it means simply understanding your options first.

The typical progression

- ✓ **Late fees and interest continue to accrue.** The balance grows the longer it sits unpaid, on top of whatever was originally owed.
- ✓ **Your credit score drops.** Missed payments are reported to the credit bureaus and compound over time as the account falls further behind.
- ✓ **The account is charged off.** Around the 180-day mark for most credit accounts, the creditor writes off the balance internally, though you still owe it.
- ✓ **It is sold or assigned to a collection agency.** A new company begins attempting to collect, often more aggressively than the original creditor.
- ✓ **A lawsuit becomes possible.** Especially on larger balances, litigation can follow, which can lead to a judgment, wage garnishment, or a bank levy if unaddressed.
- ✓ **The negative marks remain for years.** Late payments and charge-offs generally stay on a credit report for up to seven years from the original delinquency.

The one thing that does not happen

The debt does not quietly expire just because it is ignored. Even once it passes outside the statute of limitations for a lawsuit, it can still be reported and still be pursued through calls and letters. Time alone does not resolve an unpaid balance.

Why addressing it early matters

Every option available for resolving debt, from settlement to credit counseling to bankruptcy, tends to work better and offer more flexibility the earlier it is engaged. Waiting does not preserve options. It tends to narrow them.