

A **creditor** is the company to whom you owe money, such as the bank who issued you a credit card.

A **debt collector** is someone who collects debts for others. Collection agencies and law firms often act as debt collectors.



**What is debt?**

**Debt** is money that you owe to someone.

**Unsecured consumer debt** is money you owe to a creditor who does not have a lien on any of your property and includes most credit card debt, medical bills, and personal loans.

**Assigned consumer debt** is a debt that one person or company has bought from another person or company. (Md. Rule 3-306(d)). There is a specific form the plaintiff must use - Complaint - Assigned Consumer Debt (DC-CV-106). For assigned consumer debt cases, the plaintiff must: (1) prove the debt exists; (2) complete the required checklist; (3) supply proof of terms and conditions; and (4) submit proper documentation.

**If I don't pay a debt, can I be sued?**

Yes. If you don't pay, the creditor or debt collector may file a lawsuit against you. You should respond to the lawsuit by the deadline; otherwise, you could lose by default. If the creditor wins the lawsuit, the court will award them a judgment against you. A judgment is a final court order that states you owe money to the creditor. If a creditor has a judgment against you, they may be able to garnish part of your wages, your bank account, or other property.

**Debt Collection Laws**

The **Fair Debt Collection Practices Act (FDCPA)** is a federal law that prohibits debt collectors from engaging in abusive or deceptive bill collection practices.

The **Maryland Consumer Debt Collection Act (MCDCA)**, adds significant protections to consumers because it covers activity by both debt collectors and creditors. In most situations, the FDCPA only covers debt collectors.

**Maryland Court Help**

Free. Online. In Person. By Phone.

**Court Help Centers**

If you do not have an attorney, FREE legal help in civil cases is available. Contact the **Maryland Court Help Center**.

Phone: 410-260-1392

Online: [mdcourts.gov/courthelp](http://mdcourts.gov/courthelp)

**Other Resources**

- Maryland State Bar Association Referral Service to find a private attorney.
- People's Law Library Legal Services Directory to find free or low-cost legal help programs in Maryland.
- Dealing with Debt Collectors information provided by the Attorney General of Maryland.
- Bankruptcy Information [www.mdb.uscourts.gov/dont-have-lawyer](http://www.mdb.uscourts.gov/dont-have-lawyer)
- Housing/Foreclosure Information [mdcourts.gov/legalhelp/housing](http://mdcourts.gov/legalhelp/housing)

For more information on Maryland courts and their procedures, please contact a clerk in any state or county courthouse.

For more information about the Maryland Judiciary, visit the website:

[mdcourts.gov](http://mdcourts.gov)

*It is the mission of the Maryland Judiciary to provide equal and exact justice for all who are involved in litigation before the court.*

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I Owe Money and Dealing with Debt



*Learn About What to Do If You Are Sued*



## I was sued...what steps can I take next?

- If you disagree with all or part of the claim, complete and send to the court the Notice of Intention to Defend located at the bottom of the summons. The court date may change after you file. **If you do not return the Intention to Defend, a judgment could be entered against you.**
- Raise a procedural question such as: were you properly served? are you being sued in the correct court and the correct location?
- File a counterclaim within ten (10) days after the time for filing the Notice of Intention to Defend. Filing and service fees apply. If you cannot afford the fees, you can complete and file a Request for Waiver of Prepaid Costs (CC-DC-089).
- Try to negotiate a settlement
- Agree to a payment arrangement
- Contact the plaintiff/Alternative Dispute Resolution Office if you are interested in mediation.
  - For information about Alternative Dispute Resolution, visit [mdcourts.gov/district/adr/public](http://mdcourts.gov/district/adr/public)
- Prepare for trial:
  - Decide what evidence you need to defend the claim.
  - Gather documents and request witnesses to appear if needed.
  - Document events that have happened.
  - Prepare to present the evidence in court.

## What happens in court?

- The plaintiff will present their side and then you will be able to present your defense. Unless the case is a small claim (amount sued for was \$5,000 or less, exclusive of interest, costs, and attorney's fees), the rules of evidence and procedure apply to your case, even if you aren't familiar with them. The judge is **not allowed to help you present your case; the judge must be neutral. This is one of many reasons** why you may want to be represented by a lawyer. After hearing all the admissible evidence, the judge will decide in favor of you or the person who sued you.

## What steps can I take if I don't agree with the judge's decision?

- File a motion to request a new trial:
  - Use the Motion form (DC-002).
  - File within ten (10) days after the date of the judgment.
  - State your reasons why you think the judge made the wrong decision.
- Ask the court to correct the judgment (usually for clerical errors):
  - Use the Motion form (DC-002).
  - File within ten (10) days after the date of the judgment.
- Ask the court to change or cancel the judgment (clerical errors, lack of service or notification of a trial date).
- Appeal to the Circuit Court:
  - You have 30 days after the judgment date to file.
  - Filing fees apply. If you cannot afford the fees, file a Request for Waiver of Prepaid Costs (CC-DC-089).
  - Use the form, Civil Appeal (DC-CV-037).

## What actions can the plaintiff (judgment creditor) take to collect a judgment?

- If you don't pay the judgment or work out arrangements, the judgment creditor can send you a Judgment Debtor Information Sheet (CC-DC-CV-114) for you to fill out with information about your employment, assets, debts, income and expenses. If you don't respond completely and by the due date, you may have to answer written questions (interrogatories) under penalty of perjury or appear in court to answer the questions (Oral Exam) or both. NOTE: A person may not be compelled to appear in person for an examination or to answer interrogatories in order to enforce a money judgment resulting from a small claims action (amount sued for was \$5,000 or less, exclusive of interest, costs, and attorney's fees).
- Put a lien against your property and if the debt is not paid, seize the property.
- Garnish your wages. You must be left with an amount equal to 30 times the Maryland minimum hourly wage. No more than 25% of your wages can be garnished per pay period. See Wage Garnishment Brochure (DC-CV-065BR) for more information on wage garnishment.
- Garnish property other than wages. There is no limit on a bank account or other assets, but there are exemptions. Your financial institution will automatically protect up to \$500. (Courts and Judicial Proceedings § 11-504.)

## Can I keep any of my money or property?

You can request an exemption of up to \$6,000 for any reason. You may qualify for another exemption if the money in your bank account came from:

- Social Security benefits (disability and retirement)
- Veterans benefits and other federal benefits listed here
- Child support
- State public assistance benefits (SNAP, TCA, etc.)
- Qualified retirement benefits (401k, IRA, pensions)
- Workers compensation
- Unemployment insurance
- Alimony
- A bank account opened before the judgment was entered in the name of two persons who are married



To claim an exemption, file a Motion for Release of Property from Levy/Garnishment (DC-CV-036) within 30 days after the papers are served. (See the back of the DC-CV-060, Request for Writ of Garnishment of Property Other than Wages, for exemption information.)

## What happens when I pay the debt?

The judgment debtor is required to file a Notice of Satisfaction. If they do not, you can complete and file form, Motion for Order Declaring Judgment Satisfied (DC-CV-051). You must serve the creditor with a copy by certified mail, sheriff, or private process. You may be eligible for the money you spent to get the order, including reasonable attorney fees.

**Additional details about being sued can be found on the Judiciary's website at: [mdcourts.gov/legalhelp/moneyissuesiowe](http://mdcourts.gov/legalhelp/moneyissuesiowe)**