

Threatening to send a debt to collections is NOT illegal. Threatening to send a "disputed" debt to collections is NOT illegal. Threatening to send a "disputed" debt to collections without telling the debtor that the debt will be sent as a "disputed" debt is completely illegal under Florida law.

Unfortunately this happens all the time. The landlord sends out the Notice of Intention to Impose Claim on Security Deposit, the former tenant disputes, and the collection letters go out just like that. Violations of Florida Statutes occur every day, and more and more attorneys are keenly aware of the law regarding this.

The Penalties Sending the debtor a letter stating that they will be sent to collections or that their credit may be affected WITHOUT telling the debtor that the fact that the "debt is disputed" will be disclosed to the collection agency or credit reporting agency triggers a penalty of up to \$1000.00 per occurrence, and in the event an attorney has sued the landlord, the attorney will be entitled to an award of attorney's fees and costs, which could far exceed the \$1000.00. If an attorney thinks you may have done this to many debtors, the attorney may just decide to file a class action lawsuit against you, which could cost tens if not hundreds of thousands of dollars in defense, penalties and attorney's fees of the attorney filing the lawsuit.

SAMPLE WORDING ON ANY CORRESPONDENCE
AFTER YOU GET A DISPUTE

We are in receipt of your letter disputing the debt of \$(INSERT AMOUNT). Our collection agency and anyone else inquiring about your creditworthiness shall be notified of your debt as a "disputed debt".

Practical Considerations

1. Never forget to use the word "disputed debt" when telling the debtor that the debt will be sent to collections.
2. Never threaten to affect someone's credit report.
3. Send your collection agency a certified letter informing them that the debt is "disputed", and keep a record of this in the file.
4. If someone inquires about the debtor's creditworthiness or delinquency, always disclose that the debt is disputed.
5. Try to settle disputes to avoid litigation.