



# Zombie Debts

*Dear Dr. Per Cap:*

*Last week a collection agency contacted me about an old debt from ten years ago. I thought they couldn't chase down debts more than seven years old so what gives?*

*Signed, Don't Want to Pay*

Dear Don't Want to Pay

Yikes! We've seen an increase in aggressive collection practices in recent years. Debt purchases by collection companies are also on the rise as well as the pursuit of what are known as "zombie" debts, like yours, that can be years or even decades old. Sadly these unnerving trends appear to align with record levels of household debt along with increasing defaults on credit cards, auto loans, and student loans.

Here's the short answer to your question – Yes. Creditors and collection agencies can pursue old zombie debts regardless of whether it is Halloween. Ba-dum-bum-CHING! Sorry, I couldn't resist.

The seven year statute of limitations applies to how long an unpaid debt or delinquency can be listed on your credit report. Moreover, in most states a collector can only sue a person for repayment of an old debt for four to six years after the last payment was made. Most collectors will give up trying to collect after this period because the chances of recouping any money are low, but technically there's no law that says they can't try. They just can't sue in court.

Now for some good news. There is an effort to overhaul the Fair Debt Collection Practices Act. The FDCPA was written in 1977, long before cell phones and other advances in communication technology that enable debt collectors to pursue borrowers using a variety of channels, so an update is long overdue.

In its current form the proposed modification would reduce the number of phone calls a debt collector can place each week. Proposed changes would also require debt collectors to provide more information to consumers about the accounts they are pursuing in addition to restrictions for how debt collectors report information to credit bureaus.

Now the bad news. This overhaul, introduced in 2016, is taking a really long time to unfold. Even worse it probably won't be a perfect fix. For example while the proposal recommends fewer phone calls, it places no limit on the number of texts or emails a debt collector can send which are an invasion of privacy just as much as calls.

Back to your situation. First step is to pull your credit report from [annualcreditreport.com](http://annualcreditreport.com) to check if the old debt is listed on your report. If so, file an online dispute to have the debt removed because it is more than seven years old. If it's not listed on your credit report don't worry about.

That's right I said it. I wouldn't pay an old debt that's not on my credit report either. The only way I might consider paying is if the debt is for a utility or some other service you might need in the future. Otherwise remember the number one rule from the movie *Zombieland* – Cardio!

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