

# Creditor lawsuits: Giving defendants a fair chance



With rising food and gas prices, many members of America's poor and working poor are drowning in debt and the stress and fear that accompanies it.

By Nancy Grim, Attorney-at-Law

Volunteer and Former Board President at Community Legal Aid

Living in poverty can cost you. For low-income and working poor Americans who are able to secure credit, interest rates and fees are exorbitant. With a lack of other borrowing options and financial resources, credit cards are often used for unexpected expenses like visits to the emergency room or to make ends meet by covering monthly utility bills or daycare expenses. [Nationwide, credit card debt is nearing one trillion dollars and climbed 19% in the fourth quarter of 2022.](#) With rising food and gas prices, many members of America's poor and working poor are drowning in debt and the stress and fear that accompanies it.

In today's Big Ideas, we welcome guest contributor and long-time legal aid supporter Nancy Grim to share one way we are helping our low-income clients navigate the perils of credit card debt. She is a standing volunteer and thought leader with our Portage Debt Clinic, dedicating countless hours of her time and experience to its mission.

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In the world of legal aid, simple fixes are not the norm. The people we serve often carry heavy burdens. Their barriers are high, and the inequities they face run deep. Legal aid advocates have the heart to dig through each layer for every person in need - slowly, carefully, over months or years. But we don't always have the resources.

And so part of what we do is designing creative solutions to maximize reach and impact.

One such solution that's been aiding low-income residents in Kent and Ravenna is our long-standing Portage Debt Clinic. A collaboration between the Portage County Bar Association and Community Legal Aid's [Volunteer Legal Services Program](#), the clinic provides monthly free legal advice and assistance for low-income individuals being sued for debt in Kent and Ravenna municipal courts. Most of these respondents have defaulted on their credit card payments. Those with assets are at risk of wage garnishments, bank account attachments, liens, and forced sales of personal property. The majority can't afford to hire an attorney and are scared, confused, and stressed about the debt and the legal proceedings.

At the clinic, attendees meet with local volunteer attorneys to learn how to respond to the lawsuit filed against them and can ask questions specific to their circumstances. Participants learn to fill in and file an Answer, which prevents a default judgment. They are educated about the very real risk of default judgments, which the court will order when a debtor fails to respond within 28 days after the

service of a suit. Default judgments presume admission of the debt and empower the creditor to collect the money claimed in a number of ways. Participants also learn how to negotiate a repayment plan. Finally, the clinic can play an important role educating debtors who only have limited income from specific sources that are “uncollectible” under the law (like Social Security or Worker’s Compensation) and little to no assets, savings, or extra income. Understanding this, and sometimes notifying the creditor, may help relieve a great deal of stress from uncollectible debtors.

On its face, this highly impactful clinic model is straightforward. But there is some magic behind its lasting success that benefits the clients, the courts, and the legal community. First, the clinic is easy and fulfilling for volunteer attorneys. Its model is designed so any licensed attorney can help - no need for special training or expertise. Additionally, most participants are deeply grateful for and relieved by the simple advice we provide. While it’s not why we do this work, the good vibes help recharge our attorneys and leave their buckets a little fuller. Additionally, the clinic is successful because of the buy-in of partners. The municipal courts cooperate by notifying respondents about the clinic with each complaint and granting extensions so they have time to attend. The Portage County Bar Association helps spread the word so the clinic can always be connected with the volunteers it needs to operate smoothly. And by leveraging local volunteers who empower participants to proceed pro se, the model is effective, cost-efficient, and sustainable.

As a result, everyone wins. The client avoids default judgment, negotiates a payment plan, or deters future collection efforts by successfully communicating their lack of assets. The courts hear more cases where both parties have the information they need to properly represent themselves. Volunteer attorneys have a gratifying experience giving back while also fulfilling their duty to ensure equal access to justice. Community Legal Aid’s mission is advanced in an efficient and effective way. And perhaps, slowly, creditors are being held accountable to higher standards upon filing lawsuits for credit card debt.

This article is part of Legal Aid’s [“Big Ideas” series](#).

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