

My credit card company "wrote off" my debt. Can I stop worrying about it?

That's a common question that people ask me when they contact me to discuss bankruptcy. **The short answer is "No"**. We'll look at why that is so in this article.

Credit card companies "write off" or "charge off" debts after they've been behind in payments for a certain amount of time. It's an internal accounting action and allows the company to deduct the loss as an expense. That's not exactly correct accounting-wise, but it serves the purpose here. **It does NOT mean that you don't continue to owe that debt.**

What will the credit card company do after the write off?

The company can continue to attempt to collect the money, but usually they don't. **Instead, they might hire an external collection agency to keep trying to collect.**

If that fails, the bank may sell the debt to a debt buyer whose business is to collect that debt from you. They bought the debt very cheaply, so they can afford to sue you to get the money from you. **If a court enters a default judgment against you, which will happen if you don't file an "answer" on time, the debt collector can then garnish your wages or tap into your bank accounts.**

What should you do?

- **Filing bankruptcy stops all creditor actions against you**, including lawsuits. And if your bankruptcy proceeds to a successful discharge of your debts, that debt is gone for good.
- **If for some reason filing bankruptcy isn't a good thing for you at this time**, if someone sues you for a debt **do NOT just sit and do nothing**. File a proper "answer" in the time allowed. **If you need help with that and you're in California, contact me and I'll refer you to an attorney who will help you with that process.**

What's the take-away?

Just because your debts have been written off or charged off doesn't mean you won't be sued for them. **In fact, that may be more likely than before. To explore all the possibilities, contact an experienced bankruptcy attorney sooner rather than later.**

[A creditor is suing me! What should I do?](#)

[Wait until you're sued to file bankruptcy, or file earlier?](#)

[A creditor is suing me! Should I file bankruptcy?](#)

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