

# Finding Peace



**Help  
Eliminate  
Legal  
Problems  
for  
Seniors  
and  
Disabled**

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## New Legislation Bill

*Press Release by HELPS*



Legislation placing sweeping restrictions on state tax collectors was signed into law by Oregon Governor Kate Brown on July 6. Written specifically to stop the collection of tax debts from some of the state's most economically vulnerable residents, Oregon tax collectors must now conform to new standards when pursuing citizens with exempt incomes for payment of tax debts.

"HB 2089 articulates expectations for the Department of Revenue's collections practices to ensure taxpayers of lesser means are treated fairly and appropriately," said Brown's spokesperson Kristen Grainger.

Despite the short ten-day time period between its unanimous passage in both Oregon legislative houses and its signature on the governor's desk, HB 2089 did not have an unchecked journey. While not directly opposed by the Revenue Department, its representatives were adamant that any curtailment of their authority was unnecessary.

"They kept saying their existing procedures were enough to safeguard poor seniors," said Eric Olsen, an Oregon lawyer who founded HELPS, a nonprofit law firm that specializes in protecting senior citizens and disabled persons from aggressive debt collection. "But we had elderly clients with very fixed incomes who came to us after skipping meals and medication because they were paying tax bills in fear of being arrested. A bill with the words 'DISTRRAINT WARRANT' printed in bold letters across the top is very intimidating."

*Continued inside.....*

## New Legislation (con't)



Olsen was instrumental in the creation of legislation that gave rise to the new law. Worn out by his clients' stories of aggressive collection tactics, he doggedly sought limitations on the Department of Revenue's ability to pursue citizens surviving solely on exempt income sources. "At first the state representatives wanted to trust the Department of Revenue's assurances," Olsen said, "but I had too many clients with too many stories."

One of those stories came from Kathy Houck, a HELPS client fighting terminal cancer. After a double mastectomy, radiation and chemotherapy failed to stop the metastatic disease eating its way through her spine, Kathy Houck thought she had received more than her fair share of bad news. And then a distraint warrant from the Oregon Department of Revenue arrived in the mail. "I got a distress (sic) warrant...I got scared. I thought I might go to jail.," the fifty-nine year old Oregon woman said.

Houck, like millions of American senior citizens and disabled persons, survives on a fixed income of social security benefits. The 1977 Fair Debt Collection Practices Act protects this income from collection and classifies it exempt under federal law. Despite this protective legislation, most social security recipients do not know that their incomes are exempt from collection and judgment proof. Often debt collectors utilize this lack of knowledge and pursue payment of debts by the only means left available to them - repeated contact and intimidation.

"Debt collectors know the law," Olsen said. "They know they can't garnish social security or most forms of retirement. So instead of using the courts to collect debts, they resort to bullying and scare tactics. It isn't a big surprise coming from private companies, but we shouldn't be getting this from our own government."

Unfortunately Oregon is not alone in its collection efforts against seniors and the disabled. Despite nearly half of all seniors age 65 and up living within 200 percent of the poverty line (around \$23,500)\*, most states do not inform seniors and disabled persons of the exempt status of their incomes when pursuing payment of old government debts.

"We aren't stopping the fight here," said Olsen, "We've got clients all over the United States who come to us after paying their limited incomes to state taxing agencies, thinking they're avoiding a prison sentence. I won't be happy until every state informs its judgment proof citizens that they don't have to pay these tax debts if they can't afford it."

*\*Supplemental Brief on Seniors and Poverty, Kaiser Family Foundation*



# Is Bankruptcy Right For You?

## Why Bankruptcy May Not Be The Best Choice

1. Seniors' pension and Social Security incomes are protected from debt collectors under federal law. Ultimately, debt collectors have only way of forcing collection of a debt – by lawsuit. If the debt collector prevails at court, a judgment will be entered against the debtor. The judgment can only be used to collect unprotected funds. A judgment **CANNOT** and **DOES NOT** allow a debt collector to touch Social Security, pensions and veteran's benefits.
2. Property owned by the senior, including cars, furniture, even equity in a home, is almost always protected under state exemption laws. This means the debt collector can't get a senior's protected income or his protected property. Most threats of seizing personal property are just that... threats. Debt collectors do use intimidation and make threats to take property that they have no legal way to recover.
3. Since income and assets are protected, expensive bankruptcy is a waste of money, the cost often well beyond the means of many low income seniors. Many attorneys will say the reason to file a bankruptcy is to stop the harassment, but there are less expensive means of stopping debt collector harassment. Often a cease and desist letter which tells the debt collector to stop calling and sending demand letters will go a long way toward making the calls stop. In addition, because the senior's income is protected, there should be no long term negative consequences of ignoring the debt collectors' calls and throwing away demand letters.
4. Bankruptcy can result in unwanted consequences. When a bankruptcy is filed, all credit cards are cancelled, even ones that are current and not in default. Some seniors may have assets that they would lose to a bankruptcy trustee that a judgment creditor would not take – for example, a vehicle with equity or an interest in a piece of property.
5. There are some situations where bankruptcy is the best solution for a senior citizen who is struggling with debt. In some scenarios, low income seniors bankruptcy may have equity in a home that can be exempted or protected by state or federal law, and discharging unsecured debt could allow heirs to receive the property free and clear from any claims on the estate.

It is always best to consult an attorney when considering these options. Unsure about which option is the best for your situation? Call **HELPS** and we can review your situation and help you decide what is best for you.

# Supplemental Nutrition Assistance Program

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Many senior citizens live with minimal incomes that require sacrificing food in order to pay their monthly expenses. Often this sacrifice leaves seniors with funds that cannot possibly purchase food capable of maintaining an adequate or healthy diet. After lives of hard work, a senior being forced to go without something as basic as food is unconscionable. We do not want any senior to go hungry or have less than the amount of calories needed to maintain a healthy, functional life. There is help available!

Nearly everyone has heard of food stamps. These benefits are now called SNAP (Supplemental Nutrition Assistance Program). This is a federally funded program that provides supplemental income to persons for the purchase of food. Unfortunately, many seniors qualify for SNAP but do not take advantage of this program. Sometimes embarrassment stops them from seeking help. Other times seniors simply do not know that there is help to which they are entitled and assuredly deserve.

If you are going hungry or suffering from food scarcity, assistance is available. Do not let embarrassment or shame delay you in getting the help you need. Many seniors are without any help beyond their government benefits. With medical expenses and other financial burdens, these benefits can be grossly inadequate. We do not want any **HELPS** client to be hungry. If you need help getting enrolled with SNAP or just feel overwhelmed by the process, give us a call. We want to help.



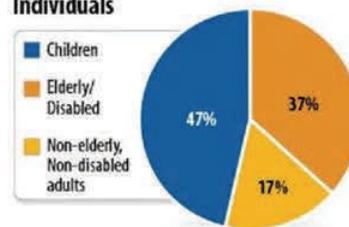
Not sure if you qualify for SNAP? You may be surprised. It is easier for someone over the age of 60 to apply and be eligible for help.

You or a member of the household usually needs to apply in person. However, if you are unable to visit a local office, the interview can be done over the phone or, in some situations, a home visit can be made.

There is a limit on your assets but it is important to remember – a home **does not** count towards this. You can have a vehicle worth up to \$4,650 per adult household member. A vehicle necessary to transport a household member that is physically disabled is also not counted. Other household assets are limited to \$3,000, but remember this is garage sale/ craigslist value. Many people overestimate the value of their assets. Do not do this!

Income qualifications vary by state, but again the rules are more generous for seniors. For example, in Oregon, a household of two earning \$1,500 from Social Security with rent of \$500 and medical expenses of \$250 would receive \$153 in food assistance.

**More than Half of SNAP Recipients Are Children, Elderly, and Disabled Individuals**

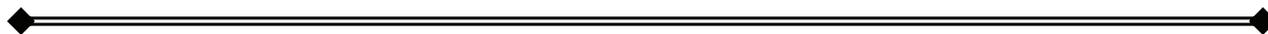


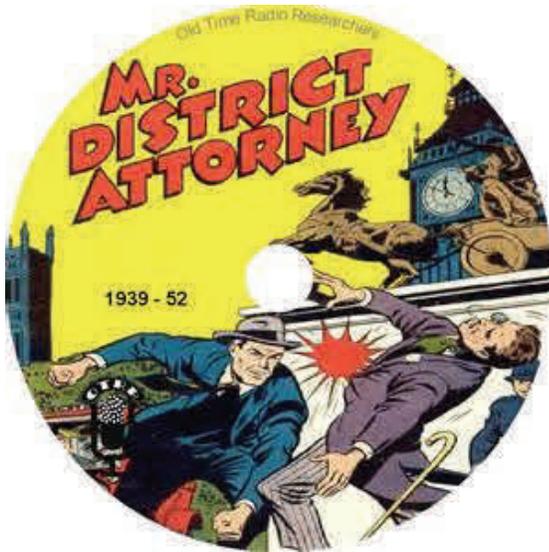
Source: CBPP analysis of data from USDA Food and Nutrition Service, FY 2010  
Center on Budget and Policy Priorities | cbpp.org

If you have access to the internet, you can search to see what you might qualify for. For example, if you live in Oregon, Google “Oregon Food Stamp Calculator”. If you need help or more information, call **HELPS** and we can provide you with the local number to call for assistance in your area.

Thankfully we live in a country that provides for those in need of food. There should be no shame or embarrassment in seeking and obtaining assistance to ensure you can eat properly. If you need help finding a way to pay food, please consider applying. Not only will this open the door to more food being available to you, but it will leave your remaining funds available for other necessary items.

If you have questions or need help, please turn to HELPS. We can point you in the right direction and if needed, will get the correct agency on the phone with you. Protecting our clients is a job we take seriously. If you need help, we are here for you.





## District Attorneys Rent Out Their Letterhead

On occasion, we are forwarded letters from debt collectors that bear the seal and signature of a district attorney. Printed on the district attorney's letterhead, these letters may threaten jail time and use words like "warrant" repeatedly. These letters usually involve an alleged NSF check. They are quite effective at causing fear in their recipients. If this intimidating method of collection seems more in line with the action of a debt collector, there is a reason.

District Attorneys across the United States are *renting* their letterheads to debt collectors. These district attorneys do not investigate or verify the debt being collected under the seal of their office. Instead, they take a cut of whatever funds are recovered by the debt collector. This amount is typically more than just the original bounced check. Debtors also pay fees and fines, adding to the total amount these district attorneys recover. The New York Times reports that over 300 district attorneys are presently involved with this loathsome "guilty until proven innocent" tactic.

In virtually all of these cases, district attorneys never pursue any sort of law enforcement activity. Prosecuting a bad check case requires proving beyond a shadow of doubt that the accused intentionally sought to mislead and defraud the merchant. District attorneys know the overwhelming majority of NSF checks involve inadvertent errors or simply just having less money than one anticipated. Inasmuch, these letters are essentially "shakedowns" made to scare people into paying debts they may or may not owe along with excessive fees.

# Recovering Garnished Funds



I recently spoke with a new **HELPS** client who told me that a creditor garnished her bank account several months before she enrolled in **HELPS**. The money in her bank was all from a pension. They took over one thousand dollars. This did not need to happen. If a claim had been made within a certain amount of time, the bank should have returned the funds. Money in a bank account that is from a protected source such as pension, Social Security, disability, veteran's benefits, or even a minimum wage job, is exempt and protected by federal laws.

If the money is garnished, a claim of exemption can be filed with the courts. The judge will order the creditor to return the money. There is a timeline to file this claim of exemption and it varies between states, but it is often 30 days. You do not need an attorney in order to file this claim of exemption. The garnishing creditor is supposed to send a form along with the bank levy, but it is not uncommon for them to "forget" to do so. Your local court should have that same form that you can request.

**HELPS** clients should not face this situation as their creditors have been notified that they are judgment proof. However, we want to ensure that all senior citizens know their rights. If friends and family members find themselves in a similar situation, please let them know they have options. These monies, even when deposited in a bank account, are protected. In the event they are taken, there is a procedure in place for the money to be returned.



## Before And After *HELPS*

Sometimes people come to **HELPS** feeling very alone. Plagued by collector harassment and the overwhelming stress of debt, isolation adds more misery to their lives. Already going without basic needs in order to find a way to pay the bills, loneliness causes even more strain on their mental and physical health. We are here to help them but you can too. Let them know the truth. Many older Americans have gone through the same thing. Help us say to them, "You are not alone!"

In this spirit, we are starting a new newsletter feature entitled, "Before and After **HELPS**". This newsletter reaches many older persons who are suffering the familiar problems of harassment and debt headaches but do not know about **HELPS**. We invite **HELPS** clients to send in their stories of what was like before you found **HELPS** and how **HELPS** has changed your life. Your name and identity will be protected. **HELPS** members will also be helped by reading stories from other members who experienced similar situations. **HELPS** motto is "Sharing the Burden". We believe this feature will help do just that.





# Shirley's Story



“Four years ago I had so much credit card debt. I was avoiding answering the phone because collection agencies were calling day and night. I was in a constant state of worry and stress. I did my best to make minimum payments. The money I paid went to interest only, so the debt kept increasing daily. During the four years I was hospitalized twice for stress related illness. That is when I decided enough was enough.

As a result of the situation I was in, I decided to call and talk with a representative of a debt consolidation agency. I checked with three agencies. At this point, I was not sure what I was going to do. I talked to a friend about my situation. She was so helpful with suggestions and support. She did a computer search for help with credit card debt - specifically credit card debt for people 62 and older - And there was the number for HELPS.

I did not call right away. I was ashamed that I could not handle this problem by myself. However, with a little encouragement from my friend, I called HELPS. And that was when my life changed.

I made an appointment with a HELPS representative. He walked me through the HELPS process. He explained every part of the program to me. He was very kind and understanding. He explained to me what to do when creditors call. You let them know you are a HELPS client and you refer them to a specific phone number.

My life is so calm now. Without the support and reassurance with HELPS provided, I really do not know where I would have turned. My name is Shirley and I live in Oregon. And I am proud to be a HELPS client. I trust HELPS and everyone who works for them. Please, if you are 62+, on a limited income such as I am, and credit card debt is a financial burden, call HELPS now. They truly are there for you and for me. Call today—don't wait. A good night's sleep is just a phone call away. And when you call, you talk to a person, not a machine. The support you receive is extraordinary.”



## ~ Notes From Clients ~

“Dear HELPS, From the bottom of my heart, thank you for your kindness and support. This has been a nice warm winter for me and my kitty, when I was not afraid to turn my heat on to a comfortable zone and leave it on. Also, these past several months have been very peaceful—which might not otherwise have been without your help. Warm love, Gary L.”



“I wanted to say thank you for helping my father with his financial difficulties. He does rest easier knowing he can get answers and that creditors have stopped harassing. I have mentioned to him that this is the best thing he has ever bought. My compliments to your organization.” ~ Jeff H.



“Thank you so much for your help. It has really helped me a lot and improved my living conditions. Now I am able to eat regular and not skip meals to pay bills, which led to heart attacks in the past. My doctor says it has improved a lot since I've got your help. So thank you so much and if I can do anything for you guys, please let me know. Your friend, Ray.”



“Thank you HELPS for providing the Landlord Letter. After a lengthy search, we found the apartment that would meet our needs. We presented the Landlord Letter to the apartment manager with our application. My wife and I know this letter helped our rental application be approved.” ~ George J.

# Using Modern Technology ~ Email

We at HELPS love to email. This is our preferred method of written communication because it is quicker and cheaper than using the US Postal Service. Keeping our costs down is crucial and helps us continue to provide our services at a very low cost, or even for free, to those in need.

You don't have to own a computer or have an email address in order to join HELPS, but we do want to make sure you know it is an option for contacting us. As technology advances, many people are able to receive emails on a multitude of devices, including smart phones. Having email on your cell phone can be a very convenient method to communicate with HELPS and we encourage you to reach out to us. If you would like to share your email address with us, please give a call or send us an email at [pellegood@helpsishere.org](mailto:pellegood@helpsishere.org) and we can update your file.

One form of written communication that we are still using is this newsletter. We ask when you are done reading it, that you share it with a friend or leave it at your doctor's office or senior center for others to enjoy. We often talk to people who found out about us from a newsletter they found in their doctor's office so you never know who you will help out.

Just because our preferred method of communication is email does not mean that you cannot pick up the phone and call us for any concern or question you may have. We are here for you whatever method you choose.



*“Peace begins with a smile.”*

*~ Mother Teresa*



PO Box 12647  
Salem OR 97309

[www.HelpsisHere.org](http://www.HelpsisHere.org)



## *Sharing the Burden*

### HELPS Contact Information

Creditor Referral Number  
(to give to creditors)

Phone: 818-351-3514

Fax: 310-807-4103

**For Client Use**

Toll Free Phone: 1-855-435-7787

Fax: 310-807-4103

### Correspondence

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