THE LIFE OF A DEBT: follow the paths of a single debt, from its creation to its end...

DEBT IS CREATED

- Paid in Full
- Payment missed / Default

SECURED

- Repossession
  - Redeem / Reinstate
  - Repo Sale
    - Paid in Full
    - No Deficiency
    - Deficiency
      - Paid in Full
      - In-house Collection
        - Charged-off
        - Outside Debt Collector
          - Letters and calls
            - Sent back to creditor or debt buyer
              - Sold to Debt Buyer

UNSECURED

- Billing Statements, Demand Letters
  - Account Canceled
  - Charged-off
  - More letters and calls
  - Lawsuit
    - Defenses
    - Judgment
      - Paid in Full
      - Frozen Bank Account / Garnishment
      - Exemptions

Prepared by NEDAP, updated May 2008
For more info visit: www.nedap.org
Adapted from "The Life (and death?) of a Debt," Michelle A. Weinberg, Consumer Legal Assistance to the Elderly - Legal Assistance Foundation of Metropolitan Chicago.