

Frequently Asked Questions about Judgment Funding

First and foremost important fact.....*the judgment holder does not have to do anything but:*

- 1. Give the funding company the right to collect the judgment,**
- 2. The basic facts of the case and any information on the debtor available, then**
- 3. Sit back and let the funding company investigate, seek out, seize and collect the judgment, plus interest and allowable costs. The funding company will advance any costs and expenses incurred in collecting on the judgment.**

There is nothing for the judgment holder to lose (and lots to easily gain) by trying this option!

Can I collect interest on my unpaid judgment?

Usually, yes. Most judgments include a provision for collecting interest, usually from the day it was rendered. The actual interest rate and calculation procedure (compound or simple interest) varies from state to state.

Why shouldn't I use an attorney to collect my judgment?

You can use an attorney if you are willing to pay a retainer and pay a fee of between \$125 and \$175 per hour, plus costs upfront, whether they ever collect anything or not. With our option, the judgment funder pays you a percentage of everything recovered and puts up any up-front costs.

How about using a collection service?

A collection service may contact the debtor and harass him, they may even place a black mark on his credit report, but they rarely collect! With the passage of the FDCPA (Fair Debt Collection Practices Act), the debtor has the right to simply tell the third-party debt collector to stop ALL contact. A judgment funder will investigate the debtor, find his assets, and then seize them to collect the judgment.

Is there any guarantee you will collect on my judgment?

*No. Sometimes there are simply no assets to seize. However, the judgment funder will employ all legal means of uncovering existing assets **including access to databases that enable them to garnish wages and bank accounts, and seize the assets of debtors if necessary..... because they DO NOT GET PAID if they are unable to collect the judgment!***

Must I pay for the expenses incurred in collecting on my judgment?

No. The judgment company advances the cost of all expenses incurred in the judgment collection. In most cases, the expenses incurred in collecting on the judgment are either added to the total judgment (upon petition to, and approval by, the court), or the costs incurred are deducted from the amount recovered from the debtor before payment to you.

How long before I actually see results?

It all depends on the difficulty in locating your debtor, and the difficulty in uncovering his assets. Some debtors are very smart about concealing their assets. Although the judgment company normally tries to get results in the first few weeks, recovering funds could take a few months or longer in an extremely unusual case.

I have a judgment awarded in one state against a debtor who resides in another state. Can you help?

In most cases, yes. Especially if your debtor answered your complaint or made an appearance at the trial or hearing. However, if your defendant didn't answer or appear, the judgment is called a 'Default Judgment'. This is considered a weak judgment. Each of us has the right to confront our accusers and to defend ourselves against any legal claims. Therefore, if the debtor is able to show the court that he was not properly served, or served in the wrong capacity, he can file a motion with the court asking it to set aside the judgment. This is the most common 'hurdle' that must be cleared in any judgment collection efforts, especially when done across state lines.

Is there a statute of limitations on executing my judgment?

Yes. Your state law sets a limit on how long a judgment is valid, usually a period of 10 years from the date the judgment was rendered. Some states provide ways to renew the judgment for additional periods of time, usually another 10 years. However, in most cases, **the sooner you collect on the judgment, the better.**

How does all this work?

First, we complete an agreement detailing the specifics of the judgment company's purchase of the judgment. If acceptable, you then assign the judgment to the judgment company making them the judgment owner of **record**. Once this 'assignment' has been filed with the court, the judgment funder has the legal right to investigate the debtor and to proceed with the legal process of collecting on the judgment. On receipt of the signed documents, they will immediately initiate collection of the judgment.