

## Do you know if you owe money?

There are many circumstances in life which may require an individual to take a loan. Other circumstances may render him unable to pay back the installments on those loans in time. When any one finds themselves in such a situation they are likely to become overwhelmed because of not knowing what to do. One of the problems that stop people from taking the right kind of action in such situations is their lack of knowledge regarding the laws and regulations that revolve around the repayment of loans.

A common misconception amongst the people is that there is a statute of limitation on the debt that they owe. The only thing that makes people assume this is because there is a statute of limitation on many other offenses. The truth of the matter is that there is no statute of limitation on unsecured debts. The only thing that hangs around your neck is a time limit during which you are liable to be sued by your creditors for the collection of the debt.

The important thing to understand is that if you owe money it is bound to be recorded in your credit report. This is irrespective of the fact whether you owe money for loans, cases of over and underpayment, sale fraud, tax liability, breach of contract, some sort of insurance policy or damages to property.&nbsp;

In all these cases the creditor has the right to make you pay what you owe him in whichever way he finds to be most effective. If you are thinking that you are ok because it has been ages since your creditor or collection agency last contacted you then you are absolutely wrong. This is because the debt that you owe still remains even if the period during which you are liable to getting sued is over.

What to do in this situation?

If the time duration for when the creditor could sue you is over then that is one good thing for you because you can be sued anymore. But the creditor is still liable to take different measures in order to get you to pay him the money that you owe. Each state however has a different date limit after which you cannot be sued and it is important to check what it is in your state.&nbsp;

Even the rules and regulations vary regarding some specific types of debts. The best thing to do is consult an attorney who can evaluate your financial conditions and answer a number of important questions for you.&nbsp;

The main things you need to know are Do you owe a debt or not? What types of laws apply to your debt? What ways can the creditors seek to make you pay? Once these important questions are answered your attorney will be able to figure out the options that you have regarding resolving your situation. You should also educate yourself on how you can protect your selves from being harassed by debt collectors and even file a complaint against an unfair action that is being taken against you.

## About the Author

Use the internet to find out more about [statute of limitations](#). Search for ways to get rid of [old debt](#) and the different methods of [debt consolidation](#).

Source: <http://www.roughweather.org>