

**Discover the Secrets of Credit Card Debt Termination  
How I Legally Eliminated My Debt  
Without Making Another Payment**

**It's the Secret the Credit Card Companies  
Wish You'd Never Find!**

by:

**Bryan Smith**

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Hello and welcome to the Secrets of Credit Card Debt Termination.

The first idea I wish to impress upon you is that the information in this ebook is from my own experiences. Everything that I have written about has actually happened to me. Nothing is made up. You are reading the truth, as I experienced it. With that said my intention for sharing this information is to show you how this process of eliminating unsecured credit card debt worked for me. I am not suggesting, implying, or even hinting that the experiences that I had can or will happen to you

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Two years ago I was over my head in credit card debt - over \$17,000. I felt disgusted with myself and depressed over the mess I had created. I was having trouble making the monthly minimum payments and was falling behind. At times, it felt like my whole world was falling apart. The harassing telephone calls from credit card companies demanding payments weren't helping either.

Looking for solutions to this financial problem that permeated every aspect of my life, I did some research into debt consolidation, re-negotiation, reduction, and even bankruptcy. These options seemed to offer different chains of slavery to my debt. In a way I felt trapped. I knew that I didn't want to become a slave to the debt for the rest of my life. I secretly wished that the burden of debt could somehow magically disappear, that I could just snap my fingers and poof it would be gone.

And then one day, I found exactly what I was looking for - Credit Card Debt Termination. At first, it was hard to believe and sounded too good to be true. But it felt like I had run out of options, so I decided to investigate. I approached it with an open mind and the more I read the more excited I became.

In this ebook you'll first learn why it is possible to terminate unsecured credit card debt, what actually happens when you sign up for a credit card and where the money comes from on your credit card. Then you'll learn what I did stop telephone calls from credit card companies and collection agencies. After that you'll dive right into the letters that I sent and received for each of the four credit card accounts I had. As things need to be explained I'll do so in the context in which they are presented. This way we can flow right along. After the letters I'll share some quotes from two Federal Reserve publications and my interpretations of them.

You are in for quite a surprise as to how our money system operates. I've found a number of resources that I think will aid in your understanding. You might be shocked as I was to learn why a Federal Reserve note isn't worth a dollar, the story behind the creation of the Federal Reserve, and how money is created. Additionally, the laws that are cited in this ebook can be found on this page as well. Please visit:

[www.credit-card-debt-termination.com/resources/](http://www.credit-card-debt-termination.com/resources/)

Perhaps you may believe as I did, that banks loan you their own money when you sign up for a credit card. **This is completely false.**

At no time does the bank loan you any of their own money or any of their depositors' money. In fact, they are prohibited from doing so under the Federal Reserve Banking regulations. When you sign up for a credit card and the bank approves your application, they use your name and your signature on the application to **create the money to fund the card**. The bank didn't have the money until you signed the application.

In other words, your signed credit card application (a "promissory note" backed by your future labor) is converted into a "cash" asset by the bank. In fact, the bank endorsed the back of your credit card application (promissory note) just as it would any other deposit, and then deposited it into what is often referred to as a "transaction account" (a special account no different than a checking account that is opened under your name, but without your knowledge or consent). The bank then returns the cash to you ("your loan"), but also wants you to pay back this "loan" (of your own deposit) as if the bank had loaned you its own money.

The Federal Reserve Bank of Chicago in their publication *Modern Money Mechanics* had this to say on page 7,

*"Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts."*

You can download and read *Modern Money Mechanics* by visiting the resource page mentioned above.

How does it feel to realize that you have been paying the bank interest on **your own money**? What a deal for the banks - having you **pay back your own money plus interest!**

The policies and procedures that banks are required to follow reveal that modern lenders breach their contracts with every single customer. Credit card companies advertise that they are in the business of lending money, but this is so false that their own accounting ledger shows the exact occur. The credit card companies do not fulfill their part of the agreement. They fail to loan money **that belonged to the credit card company**. Thus the original contract/agreement is rendered null and void.

### Example 1

For the sake of illustration, please follow along with this example.

Part of any checking account agreement is that a customer's deposit must be credited to the customer's account. When a customer makes a deposit of \$100 the bank accepts the deposit and credits his/her account for \$100. The bank's accounting

now shows that the bank has a liability on its books for \$100, because of the \$100 asset deposited by the customer (a bank liability is a "bank IOU" for the customer). Per the customer's agreement with the bank, the customer can withdraw the \$100 at any time and the bank is legally liable for returning the deposit when demanded.

Is the bank legally obligated to return a customer's deposit? Is the bank in breach of the checking account agreement if it does not return the deposit? The answer to both of these questions is "Yes." The banking business would be the best kind of business imaginable if banks were not obligated to return people's deposits. As incredible as it may seem, **that is exactly** the way banks and credit card companies do business when they extend credit and loan money to customers!

### Example 2

Here is a simpler explanation of the above example.

Frank agrees to loan you \$1000 of his own money at 10% interest, but for some strange reason he also requires that you put up a \$1000 cash deposit as collateral for the loan. Let's pretend that this was an acceptable loan arrangement for you and you entered the loan transaction, giving Frank \$1000 as collateral. Frank then hands the \$1000 collateral right back to you and calls this the "loan." Let's also say that you paid back the \$1000 plus \$100 in interest as agreed, but that Frank failed to return the \$1000 cash deposit that you had put up for the loan.

Frank would be in breach of this loan agreement for two reasons: 1) He did not loan his own money, and 2) He did not return your deposit. Both are grounds for nullification of the original loan agreement.

All such "loans" from banks, credit card companies, and other types of "lending" institutions are no different from the above examples. This is the way the banking system has operated **since 1913**. Despite what you may have been taught, this is the way the banks do business and this is what has happened in every single bank "loan" transaction you have ever been involved in.

This first thing I did was to stop paying a monthly payment on my credit cards. I did this out partly of curiosity of what would happen, and because I really did not want to make another payment. This was before I learned about disputing debt. On two of the four accounts I have never made another payment. This was in March and April of 2002. On two other accounts I made a payment in October 2002. During this period in which I did not make a payment, my mailbox was inundated with late payment letters from the credit card companies. At times, two and three letters a week for each account. I was also receiving quite a few telephone calls, which you will learn how I dealt with below.

After 180 days of non-payment, a credit card company will sell an account to a third party purchaser of debt. This process is called "charged-off." The account purchaser (referred to later on as AccountPurchaser) contracts with collection agencies to attempt to collect on the debt. The methods that collection agencies use are

threatening, intimidating, and harassing telephone calls and letters demanding payment in full. The collection agencies get to keep a portion of the claim if they can collect it. I think this is part of the reason they are so demanding.

## How I Ended Harassing Telephone Calls

The secret is that you do not have to speak with credit card companies and collection agencies on the telephone. You can conduct all communication by mail. All I had to say to was, "This is not a matter I wish to discuss on the telephone. I want to conduct all communication by mail."

My guess is that they don't like to hear this. The man or woman calling (I never called them, they always called me) would ask all sorts of questions doing whatever they could to attempt to engage me in a conversation. The credit card companies would ask questions like why haven't you sent us a payment? Why do you not want to talk on the telephone? Where are you currently employed? And my personal favorite something to the effect of, "Bryan, I am here to help you. Can't we talk about this so we can work with you? Why won't you let me help you?" For whatever they said my reply was always, "This is not a matter I wish to discuss on the telephone. I want to conduct all communication by mail." Sometimes the person on the other end would get quite agitated and angry with me. After a few minutes of saying the same phrase I eventually hang up on them, because they were never going to hang up on me.

With collection agencies it's the same, you do not have to talk to them on the telephone. I did encounter some very mean people making large threats. I heard things like, "I'm going to send the sheriff after you," and "I have a court judgment sitting on my desk signed by a judge and unless we can make payment arrangements right now I am going to see you in court." One woman with a collection agency told me, "Have you retained the services of an attorney? We are ready to take you to court." "We are going to garnish your wages and place a lien on your home." FEAR FEAR FEAR!!! They would pump the fear through the phone to a large degree. I think that their tactic was to scare me as much as possible so they would be able to dominate me into payment by putting on a guilt trip. They are specially trained to provoke and intimidate so that I would get angry at them. I imagine they use this in order to keep people talking so they can start a conversation and begin a dialogue. All the threats they make don't mean anything. It is a way to scare people into talking with them and getting what the collection agency wants.

When a collection agent would say these scary things to me I would tell them, "This is not a matter I wish to discuss on the telephone. I want to conduct all communication by mail. If you have anything to say please send me your claim by mail and I will respond promptly." Then I would hang up the phone. During one call the phone rang a few seconds after I hung up with the same angry collection agent yelling at me. He said to me, "This is the worst mistake you've ever made in your life!!

I'll see you in court!!" Collection agencies don't sue people. It's all a threat, designed to scare me into talking to them.

The idea that was very helpful for me was to remember to remain calm no matter what they told me. Sometimes the person talking to me was very annoying and downright mean. For whatever they said I stayed as calm as possible and did not respond to their threats or get into arguments with them. My answer to their threats was always the same, "This is not a matter I wish to discuss on the telephone. I want to conduct all communication by mail. If you have anything to say please send me your claim by mail and I will respond promptly." Then I would hang up.

Nothing can be gained by talking to credit card companies and collection agencies on the telephone.

I could have sent the credit card companies a letter to their customer service address that said, "This is to notify you to Cease Telephonic Communications." If I did this I would have sent it certified mail and return receipt requested (explained shortly). If the telephone calls would have persisted I would have told them that I have notified them in writing to cease telephonic communications, and if the calls do not stop that a complaint will be filed with the Attorney General's office (the Attorney General in my state).

## What I Did To Terminate My Debt

I sent letters of dispute to credit card companies and collection agencies. I'll cover each of the four accounts individually. All of the letters I sent were mailed with certified mail and return receipt requested. These are special services that any post office offers. The credit card companies and collection agencies do not like to receive these letters. They are more than likely to ignore the letters and say that they never received them. Sending the letters certified mail and return receipt request gave me the proof that I needed. With certified mail I received a receipt stamped with the date of the mailing. At the time of delivery the post office obtains the recipient's signature including the date it was delivered. The post office keeps a record of this for two years. By sending the letters return receipt requested I received a hard copy proof of delivery postcard which showed the recipient's signature and date of delivery. The post office charges \$2.30 for certified mail and \$1.75 for return receipt requested.

### CreditCardCompany1

The amount in dispute with this account was \$6,352.37. I made a payment in March of 2002 and another payment in October. I received 16 letters from CreditCardCompany1 from June to December informing me that my payment was late.

On November 16<sup>th</sup>, 2002, I sent CreditCardCompany1 this letter:

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**VERIFIED CARDHOLDER BILLING ERROR DISPUTE FORM**

CARD HOLDER'S NAME AND ADDRESS:

DATE: 11-16-02

Bryan Smith  
Address  
City, State, Zipcode

CERTIFIED MAILING NUMBER: 1111-2222-3333-4444-5555

CreditCardCompany1  
Customer Service Address  
City, State, Zipcode

ACCOUNT NUMBER: 1111-2222-3333-4444 AMOUNT IN DISPUTE: \$ 6352.37

This Verified Billing Error Dispute Notice establishes prima facie evidence as to the assertions made herein, and is taken pursuant to the Truth in Lending Act & Fair Credit Billing Act, 15 USC Sec. 1666 *et seq.* and Public Law 93-495 – October 28, 1974, and 12 CFR 226.13, *et seq.*

**IMPORTANT NOTICE**

**THIS IS NOT A REQUEST FOR COPIES OF MONTHLY STATEMENTS, A COPY OF A SIGNED APPLICATION, OR A COPY OF THE CURRENT CARDHOLDER AGREEMENT. THIS IS A REQUEST THAT YOU MAKE APPROPRIATE CORRECTIONS TO THE ACCOUNT, OR IN THE ALTERNATIVE, THAT YOU PROVIDE A COMPLETE WRITTEN EXPLANATION REPORT AS TO WHY YOU BELIEVE THAT THE STATED BILLING ERROR IS INCORRECT (INCLUDING THE PRODUCTION OF DOCUMENTATION EVIDENCE COMMENSURATE WITH THE DISPUTE).**

I, Bryan Smith, declare and state:

I am writing concerning a billing error on my account. The monthly statements are inaccurate because they should reflect a bank liability (money owed to me), and not a debt. I am requesting that the error be corrected, and that any finance and other charges related to the disputed amount be credited to properly reflect the transactions that occurred. This Billing Error is limited to your failure to credit my account for credits received, as explained herein, and is not to be construed as alleging anything else.

**POINTS & AUTHORITIES**

1. Federal Reserve Bank of Chicago's publication – *Modern Money Mechanics*, Page 6:

"Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts."

2. Account Ledger:

CreditCardCompany1 accepted my signed promises to pay, receipts, notes or other similar instruments as bank money, creating and issuing new credits to my account that resulted in a bank liability (money owed to me).

3. Payments to merchants and other financial institutions:

CreditCardCompany1 used my new credits to pay merchants or other financial institutions for charges to the account.

4. Monthly Statements:

CreditCardCompany1 failed to enter the new credits on my monthly statements.

5. Additional payments:

CreditCardCompany1 received additional payments, interest and other finance fees, which should have been posted as additional credits to the account, resulting in a bank liability.

The error was not apparent in the monthly statements or otherwise disclosed to me, thus no notice was given. However, the statements are a reflection of an underlying in-house error and thus subject to correction.

6. 12 CFR 226.13(a):

The Billing Error stated herein represents: "(4) A reflection on a periodic statement of the creditor's failure to credit properly a payment or other credit issued to the consumer's account; (5) A reflection on a periodic statement of a computational or similar error of an accounting nature that is made by the creditor; (6) A reflection on a periodic statement of an extension of credit for which the consumer requests additional clarification, including documentation evidence."

7. POSTING DATE(S):

All dates listed on the statements.

8. TRANSACTION DATE(S):

All dates listed on the statements.

9. TRANSACTION(S):

All transactions listed on the statements.

10. NAME OF MERCHANT(S):

N/A. This Billing Error Dispute does not involve any merchant(s).

**THIS BILLING ERROR DISPUTE DOES NOT INVOLVE:**

- A complaint about unauthorized charges on the credit card.
- A complaint about undelivered goods and services or an overcharge by a merchant.
- A dispute with a merchant or a dispute about a specific item of goods or services.
- A complaint about the quality of the goods or services.
- A complaint about alleged fraudulent and deceptive banking practices.

- A complaint about alleged claims regarding perpetration of fraud.
- A complaint about an unlawful extension of credit or creating credit instead of money.
- A complaint about my legal obligation to pay back money owed.
- A complaint about fraudulent creation of the account or an invalid agreement.
- A refusal to pay, or if I made charges to the account.
- A complaint about whether I accepted the terms and conditions and benefited.
- A preconditioning of my obligation to repay the party that funded the capital for money loaned.

ANY RESPONSE REGARDING THIS BILLING ERROR SHALL BE LIMITED TO THE ERROR ASSERTED AND MAY NOT EXTEND TO MATTERS WHICH THIS DISPUTE DOES NOT INVOLVE.

FAIR CREDIT BILLING ACT. Requirements:

1. An acknowledgment of the dispute within thirty (30) days. 15 USC Sec. 1666(a)(3)(A);
2. If the error is not corrected, a written explanation report following a reasonable investigation, including the production of documentation evidence, within ninety (90) days. 15 USC Sec. 1666(a)(3)(B)(ii); and
3. No restrictions or adverse actions on the account, pending resolution. 15 USC Sec. 1666(d).

FAIR CREDIT BILLING ACT VIOLATIONS. Failure to follow the rules pending resolution:

1. Relinquishment of the right to collect any alleged debt on the account. 12 CFR 226.13(d)(1);
2. Exposure to liability for actual damages plus twice the amount of the finance charges. 15 USC Sec. 1640(a)(1)&(2); and
3. Potential criminal liability for willful and knowing violation of the FCBA and other Truth in Lending provisions. 15 USC Sec. 1611(1)&(3).

CONDITION FOR WITHDRAWAL OF THE DISPUTE:

I hereby state that this Billing Error Dispute will be withdrawn if CreditCardCompany1 verifies the following statements under oath:

1. That they do not follow Generally Accepted Accounting Principles (hereinafter "GAAP") or the Federal Reserve Bank's policies and procedures;
2. That they did not create any new credits from my signed promises to pay, receipts, notes or other similar instruments, and use said new credit to pay for the charges to the account;
3. That they used their own assets or other depositor's money to fund the charges on the account;
4. That I am not entitled to have the account credited for any form of payment that they accept as money and/or assets under GAAP, or otherwise; and
5. That the foregoing was disclosed to me on a specified date in a document that is attached and incorporated into the affidavit.

Failure to verify the above five (5) statements under oath shall constitute additional proof that the stated Billing Error is correct.

**THIS NOTICE CONSTITUTES A NOTICE TO CEASE TELEPHONE COMMUNICATION**

**Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.**

WHEREFORE, I declare under penalty of perjury that the foregoing is true and correct to the best of my information and belief.

Date: \_\_\_\_\_ Signature \_\_\_\_\_

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You can read for yourself the full text of the Truth in Lending Act, Fair Credit Billing Act, 15 USC Sec. 1666, 15 USC Sec. 1640, 15 USC Sec. 1611, and *Modern Money Mechanics* at the resource page mentioned earlier:  
[www.credit-card-debt-termination.com/resources/](http://www.credit-card-debt-termination.com/resources/)

This letter says that the bank never loaned any of its own money...

*"...Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created.."*

If the bank does not loan their own money, then whose money is it that the bank supposedly loans? And how can a bank loan money it doesn't have on deposit?

*"...If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts..."*

Creating money?!?! (We'll cover this later) So the bank creates money from my credit card application (a promissory note or promise to pay) to credit my account...

*"...CreditCardCompany1 accepted my signed promises to pay, receipts, notes or other similar instruments as bank money, creating and issuing new credits to my account that resulted in a bank liability (money owed to me)...."*

Because of these credits, no money is owed to CreditCardCompany1 because they did not loan any money. The money was created by my signature on the credit card application (a promissory note or promise to pay). These created credits are not owed to CreditCardCompany1. The credits were...

*"...CreditCardCompany1 used my new credits to pay merchants or other financial institutions for charges to the account..."*

Thus,

*“...I am writing concerning a billing error on my account. The monthly statements are inaccurate because they should reflect a bank liability (money owed to me), and not a debt...”*

There is no need to pay anything back because nothing was loaned. I do not need to pay CreditCardCompany1 because there was never anything loaned by them. Why should I pay them back something that they never loaned me to begin with?

My name and signature on the credit card application was used to create the money to fund the card. Without my name and signature the money would not have been created, it would not exist. CreditCardCompany1 used these credits to pay for the charges on the account.

In other words, my signed credit card application (promissory note) was converted into a “cash” asset by the bank. In fact, the bank endorsed the back of my credit card application (promissory note) just as it would any other deposit, and then deposited it into a “transaction account” (a special account no different than a checking account that was opened under my name, but without my knowledge or consent). The bank then returned this cash to me in the form of a credit line on this credit card account. CreditCardCompany1 wants me to pay back these credits (of my own deposit) as if they had loaned me their money, which they did not.

The Verified Cardholder Billing Error Dispute Form was sent to the customer service address on the billing statements.

The Verified Cardholder Billing Error Dispute Form was sent to CreditCardCompany1 because I had made a payment within the past 4 months. The account had not gone into collection outside of CreditCardCompany1. Some of the late payment letters I received were from the collection department of CreditCardCompany1, but not from a 3<sup>rd</sup> party collection agency.

Very shortly after I sent the Verified Cardholder Billing Error Dispute Form, I received this letter as a reply:

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November 26, 2002

Bryan Smith  
Address  
City, State, Zipcode

Re: CreditCardCompany1  
Account No. 1111-2222-3333-4444  
Balance: \$ 6426.29

Dear Mr. Smith:

CreditCardCompany1 received your Constructive Notice and Demand on November 25, 2002. CreditCardCompany1 rejects this document and your demand.

Your arguments regarding this matter are without merit. You entered into a valid, enforceable contact with CreditCardCompany1, received the benefits of that contact, and agreed to repay your indebtedness to CreditCardCompany1. It is clear from the form letter that you have chosen to send that you do not understand the statutory provisions cited.

None of the sections you cite as authority provide any basis for the relief you are requesting. There are no valid defenses raised against CreditCardCompany1 in your notice and demand. Accordingly, the sections you cited in your correspondence do not give authorization for any release or forgiveness of debt or lien on your account.

Please be advised that there are others like yourself who have mailed similar pieces of paper. CreditCardCompany1 takes these attempts to avoid paying very seriously and will avail itself of all appropriate remedies under the law.

You currently owe \$ 6,426.29 on the account mentioned above. In order to avoid actions against you, it is important that you make a valid payment on your account. In view of the foregoing, CreditCardCompany1 will continue to hold you liable for the outstanding balance of this account as specified above.

Sincerely,  
G. Wasson  
CreditCardCompany1

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Booga booga!!! Pay up or else!!

I replied with this letter:

---

Bryan Smith  
Address  
City, State, Zipcode  
12-1-03

CreditCardCompany1  
Address  
City, State, Zipcode  
Attn: G. Wasson  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: Account No. 1111-2222-3333-4444  
Amount in dispute: \$ 6,426.29

**NOTICE**

Dear CreditCardCompany1/G. Wasson:

I am in receipt of your letter of November 26, 2002.

I do not know what you are referring to, as I did not send you a “Constructive Notice and Demand”, or allege an invalid agreement. I sent you a billing error letter pursuant to the Fair Credit Billing Act (FCBA). 15 USC Sec. 1666, *et seq.*

Your letter is neither an acknowledgment of the dispute under 15 USC Sec. 1666(a)(3)(A), nor a correction of the error or an explanation following a reasonable investigation, or a production of documentation evidence, pursuant to 15 USC Sec. 1666(a)(3)(B)(ii).

This dispute stems from CreditCardCompany1’s failure to credit my account for credits received, and it would appear that you have sent me a standard form letter without following the requirements of the FCBA.

Please correct the error or, following a reasonable investigation, provide a written explanation as to why you believe that the billing error is incorrect (including documentation evidence that the credits were posted or that CreditCardCompany1 used its own assets to fund the loan or extension of credit on the account).

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice by  
Bryan Smith

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The law dictionary at law.com says that *et seq* means, “abbreviation for the Latin phrase *et sequentes* meaning ‘and the following.’ It is commonly used by lawyers to include numbered lists, pages or sections after the first number is stated, as in ‘the

rules of the road are found in Vehicle Code Section 1204, et seq.”

I received this letter in reply:

---

December 15, 2002

Bryan Smith  
Address  
City, State, Zipcode

Account #: 1111 2222 3333 4444

Dear Mr. Smith:

We are eager to assist with any problem you may have with your credit card account.

If a payment did not show on your account, please review your statements to see if your payments are listed properly. If you find a problem, send us a copy of the front and back of the canceled check or money order for the payment in question.

If you are disputing a charge, tell us the dollar amount, merchant's name, reference number, and posting date as they appear on your statement. In addition, state specifically why you are questioning the item.

In any event, be sure to include a signed letter with your information, along with any other details that may be helpful. Please respond within ten days as there are time limits for us to resolve billing disputes.

We appreciate serving you. If you have any questions about this letter, please call us toll free at the number below.

Sincerely,  
G. Watson  
CreditCardCompany1

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Note how the name changed.

I replied with this letter:

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Bryan Smith  
Address  
City, State, Zipcode  
12-23-02

CreditCardCompany1  
Address  
City, State, Zipcode  
Attn: G. Watson  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: Account No. 1111-2222-3333-4444  
Amount in dispute: \$ 6,348.52

**NOTICE**

Dear CreditCardCompany1/G. Watson:

I am in receipt of your letter of December 15, 2002.

On or about November 16, 2002 I sent CreditCardCompany1 a Billing Error Dispute Notice in compliance Fair Credit Billing Act (FCBA), 15 USC Sec. 1666, *et seq.* Please be advised that the dispute is not about charges or a merchant, but about CreditCardCompany1's failure to credit my account for credits received.

Your attempt to evade a proper response to the dispute by the ten day notice specified in your letter is hereby rejected. Your prompt attention and full compliance with the FCBA is required.

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice by  
Bryan Smith

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I've never heard from CreditCardCompany1 again. But in February 2003 I received this letter from a collection agency, CollectionAgency1:

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CollectionAgency1  
Address  
City, State, Zip  
2-1-03

Bryan Smith  
Address  
City, State, Zip

RE: Your account with our client, AccountPurchaser1

For: CreditCardCompany1  
Account #: 1234567 ABC  
Reference: 1111-2222-3333-4444  
Amount Due: \$ 6,808.65

Dear Mr. Smith:

We are contacting you on behalf on AccountPurchaser1, who purchased the account from CreditCardCompany1. As such, they are responsible for the collection of your delinquent account. The account listed above has been referred to CollectionAgency1 for collection.

It is important for you to know what we are available to work with you on behalf of our client to help you satisfy your financial obligation in a manner that is fair and equitable to all parties. Our specially trained account representatives are ready to assist you with making the arrangements necessary to resolve this matter. You may contact our representatives during our convenient business hours, including evenings, Saturdays and Sundays.

Should you choose to remit your balance of \$6,808.65, please do so in the envelope provided. Please be sure to include your account number and / or reference number.

Sincerely,

Johnny Collect  
Phone number: 1-800-555-5555

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt or any portion thereof is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor.

Federal law requires that we inform you this communication is from a professional debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose.

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On February 7, 2003, I replied with the following letter:

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Bryan Smith  
Address  
City, State, Zip  
2-7-03

CollectionAgency1  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany1 Account No. 1111-2222-3333-4444  
Your File No.1234567 ABC

**NOTICE OF DISPUTE;  
NOTICE TO CEASE ALL COMMUNICATIONS**

Dear CollectionAgency1:

I am in receipt of your recent letter demanding payment for an alleged debt.

This Notice is to confirm that your claim is disputed under 15 USC Sec. 1692 *et seq.* This is also to notify you that this matter is currently subject to the dispute resolution process of the Fair Credit Billing Act, 15 USC 1666, *et seq.*, and that pending resolution collection activity is prohibited. 12 CFR 226.13 (d)(1).

Under the circumstances, **I hereby notify you to cease all communications.**

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice  
Bryan Smith

---

Because the Verified Cardholder Billing Error Dispute Form was used for this account collection activity is prohibited under 12 CFR 226.13 (d)(1). Also cited is 15 USC Sec. 1692 which is the Fair Debt Collection Practices Act. You can read the full text of this law at: [www.credit-card-debt-termination.com/resources/](http://www.credit-card-debt-termination.com/resources/)

## The Secrets of Credit Card Debt Termination

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Because I told CollectionAgency1 to cease all communications, they did and I've never heard from them again. Six months later I received pretty much the same letter from a different collection agency, CollectionAgency2:

---

CollectionAgency2  
Address  
City, State, Zip  
8-26-03

Bryan Smith  
Address  
City, State, Zip

Client: AccountPurchaser2  
Original Creditor: CreditCardCompany1  
Acct: 1111-2222-3333-4444  
Current Balance: \$ 6,808.65

### COLLECTION NOTICE

Dear Bryan Smith:

This letter is to inform you that the above account has not been paid and has been placed with our company for collection procedures.

Please remit the balance shown above or contact our office today to discuss the account. Make your check or money order payable to CollectionAgency2 and mail it today in the enclosed envelope.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This communication is from a debt collector.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt or any portion thereof is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor.

---

You'll notice that my account was sold to a different account purchaser, AccountPurchaser2.

My reply to this letter was exactly the same the previous letter to a CollectionAgency1:

---

Bryan Smith  
Address  
City, State, Zip  
10-17-03

CollectionAgency2  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany1 Account No. 1111-2222-3333-4444

**NOTICE OF DISPUTE;  
NOTICE TO CEASE ALL COMMUNICATIONS**

Dear CollectionAgency2:

I am in receipt of your recent letter demanding payment for an alleged debt.

This Notice is to confirm that your claim is disputed under 15 USC Sec. 1692 *et seq.* This is also to notify you that this matter is currently subject to the dispute resolution process of the Fair Credit Billing Act, 15 USC 1666, *et seq.*, and that pending resolution collection activity is prohibited. 12 CFR 226.13 (d)(1).

Under the circumstances, **I hereby notify you to cease all communications.**

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice  
Bryan Smith

---

After sending this letter I've never heard from CollectionAgency2 again.

Four months later in January 2004 I received the following letter from yet another collection agency, CollectionAgency3:

---

CollectionAgency3  
Address  
City, State, Zip  
1-7-04

Bryan Smith  
Address  
City, State, Zip

Creditor: AccountPurchaser3  
Fwd Creditor: CreditCardCompany1  
Account number: 1111-2222-3333-4444  
File number: 1234567  
Total Balance as of January 7, 2004: \$ 6808.65

This is to advise you that your delinquent account has been transferred to our office for collection.

As of the date of this letter, you owe \$6808.65. Because of interest, late charges, and other charges that may vary from day to day, the amount due on the day you pay may be greater. Hence, if you pay the total balance due shown above, an adjustment may be necessary after we receive your payment.

If you choose not to pay the balance in full, the creditor is willing to accept \*\*\* \$4789.39 \*\*\* as settlement.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt or any portion thereof is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This communication is from a debt collector.

Yours truly,  
Jane Collect

---

You'll notice that my account was sold to another account purchaser, AccountPurchaser3.

I replied with the following letter:

---

Bryan Smith  
Address  
City, State, Zip  
1-24-04

CollectionAgency3  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany1 Account No. 1111-2222-3333-4444  
Your File No. 1234567

**NOTICE OF DISPUTE;  
NOTICE TO CEASE ALL COMMUNICATIONS**

Dear CollectionAgency3.:

I am in receipt of your recent letter demanding payment for an alleged debt.

This Notice is to confirm that your claim is disputed under 15 USC Sec. 1692 *et seq.* This is also to notify you that this matter is currently subject to the dispute resolution process of the Fair Credit Billing Act, 15 USC 1666, *et seq.*, and that pending resolution collection activity is prohibited. 12 CFR 226.13 (d)(1).

CreditCardCompany1 received transaction credits from me in the approximate amount of the alleged debt, plus additional payments, resulting in a bank liability. Consequently, there is no debt on the account and your claim is disputed.

The above is supported by Federal Reserve Bank of Chicago's publication - Modern Money Mechanics, at Page 6 which states in part:

"Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts."

Under the circumstances, **I hereby notify you to cease all communications.**

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice  
Bryan Smith

---

As of this writing in May 2004, I have not received any further communication from CreditCardCompany1, CollectionAgency1, CollectionAgency2, or CollectionAgency3.

---

CreditCardCompany2

The amount in dispute with this account was \$2,605.03. I last made a payment in April 2002. I received 9 letters from CreditCardCompany2 from June 2002 to August informing me that my payment was late.

In September, I received this letter from CollectionAgency4:

---

CollectionAgency4  
Address  
City, State, Zip  
9-17-02

RE: CreditCardCompany2, 1111-2222-3333-4444  
Balance: \$2605.03

This is to advise you that your past due debt with CreditCardCompany2 has been placed with us for collection.

All future payments must be made directly to our office.

Your account is now past due and due in full. To settle this matter, you should send your payment for the above amount by check or money order. To be sure of proper credit, make your payment payable to CreditCardCompany2.

The total account balance as of the date of this letter is shown above. Your account balance may increase because of interest or other charges, if so provided in your arrangement with your creditor.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt or any portion thereof is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This communication is from a debt collector.

Collection agencies must comply with a federal law that provides consumers certain rights. One of these is the right to have us stop communicating with you about this debt. If you write us and ask us to stop communicating with you, we will. But if you owe this debt, you will still owe it and your creditor may continue to collect if from you.

---

My reply:

---

Bryan Smith  
Address  
City, State, Zip  
10-2-02

CollectionAgency4  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany2 Account No. 1111-2222-3333-4444

**NOTICE OF DISPUTE;  
NOTICE TO CEASE ALL COMMUNICATIONS**

Dear CollectionAgency4:

I am in receipt of your recent letter demanding payment for an alleged debt.

This Notice is to confirm that your claim is disputed under 15 USC Sec. 1692 *et seq.*  
CreditCardCompany2 received credits from me in the approximate amount of the alleged debt, plus additional payments, resulting in a bank liability. Consequently, there is no debt on the account.

Under the circumstances, **I hereby notify you to cease all communications.**

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice  
Bryan Smith

---

After sending this letter I've never heard from CollectionAgency4 again.

In December 2002, I was surprised when I received this letter from  
CreditCardCompany2:

---

CreditCardCompany2

Address

City, State, Zip

12-1-02

Account Number: 1111-2222-3333-4444

Account Balance: \$2,605.03

**IMPORTANT NOTICE**

Dear Bryan Smith,

At your request, we have ceased collection efforts for your account.

Please be advised that we will invoke other remedies available to us under the law, which may include litigation.

In the event that you would like to resolve this matter, you can call CreditCardCompany2 at 1-800-123-4567. Our office hours are Monday – Thursday, 9:00am – 6:00pm, Friday, 9:00 – 5:00 pm and Saturday, 9:00am – 1:00 pm Pacific Standard Time.

Sincerely,

CreditCardCompany2

---

They key word in this letter is *may*. I have never received any communication regarding litigation from CreditCardCompany2.

And then a few weeks later I received another letter from CreditCardCompany2:

---

CreditCardCompany2  
Address  
City, State, Zip  
12-27-02

Bryan Smith  
Address  
City, State, Zip

Account Number: 1111-2222-3333-4444

Dear Bryan Smith:

Thank you for your recent inquiry regarding your account. We would like to take this opportunity to update you on the status of our research.

CreditCardCompany2 is dedicated to providing our customers with superior service, and we assure you that your inquiry will be resolved as quickly and accurately as possible. If we can be of any further assistance, please feel free to call us at the telephone number indicated on your statement.

Sincerely,

T. Hobson  
Special Research

---

Hmmm. Strange.

Nearly ten months later in September 2003 I received this letter:

---

CreditCardCompany2

Address

City, State, Zip

10-12-03

Account Number: 1111-2222-3333-4444

Account Balance: \$2,605.03

**IMPORTANT NOTICE**

Dear Bryan Smith,

We have attempted to contact your regarding your account.

Please contact us at 800-123-4567 to discuss your individual situation. Our office hours are Monday – Thursday, 9:00am – 6:00pm, Friday, 9:00 – 5:00 pm and Saturday, 9:00am – 1:00 pm Pacific Standard Time.

Sincerely,

CreditCardCompany2

---

I have nothing to say, so I didn't contact them. I haven't heard from them since.

As of this writing in May 2004, I have not received any further communication from CreditCardCompany2 or CollectionAgency4.

---

CreditCardCompany3

The amount in dispute with this account was \$3,673.05. I made a payment in March of 2002 and another payment in October. I received 18 letters from CreditCardCompany3 from June to August informing me that my payment was late.

On November 19, 2002, I send CreditCardCompany3 the Verified Cardholder Billing Error Dispute Form:

---

**VERIFIED CARDHOLDER BILLING ERROR DISPUTE FORM**

CARD HOLDER'S NAME AND ADDRESS:

Bryan Smith  
Address  
City, State, Zipcode

DATE: 11-19-02

CERTIFIED MAILING NUMBER: 1111-2222-3333-4444-5555

CreditCardCompany3  
Address  
City, State, Zipcode

ACCOUNT NUMBER: 1111-2222-3333-4444 AMOUNT IN DISPUTE: \$ 3,673.05

This Verified Billing Error Dispute Notice establishes prima facie evidence as to the assertions made herein, and is taken pursuant to the Truth in Lending Act & Fair Credit Billing Act, 15 USC Sec. 1666 *et seq.* and Public Law 93-495 – October 28, 1974, and 12 CFR 226.13, *et seq.*

**IMPORTANT NOTICE**

**THIS IS NOT A REQUEST FOR COPIES OF MONTHLY STATEMENTS, A COPY OF A SIGNED APPLICATION, OR A COPY OF THE CURRENT CARDHOLDER AGREEMENT. THIS IS A REQUEST THAT YOU MAKE APPROPRIATE CORRECTIONS TO THE ACCOUNT, OR IN THE ALTERNATIVE, THAT YOU PROVIDE A COMPLETE WRITTEN EXPLANATION REPORT AS TO WHY YOU BELIEVE THAT THE STATED BILLING ERROR IS INCORRECT (INCLUDING THE PRODUCTION OF DOCUMENTATION EVIDENCE COMMENSURATE WITH THE DISPUTE).**

I, Bryan Smith, declare and state:

I am writing concerning a billing error on my account. The monthly statements are inaccurate because they should reflect a bank liability (money owed to me), and not a debt. I am requesting that the error be corrected, and that any finance and other charges related to the disputed amount be credited to properly reflect the transactions that occurred. This Billing Error is limited to your failure to credit my account for credits received, as explained herein, and is not to be construed as alleging anything else.

**POINTS & AUTHORITIES**

1. Federal Reserve Bank of Chicago's publication – *Modern Money Mechanics*, Page 6:

"Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts."

2. Account Ledger:

CreditCardCompany3 accepted my signed promises to pay, receipts, notes or other similar instruments as bank money, creating and issuing new credits to my account that resulted in a bank liability (money owed to me).

3. Payments to merchants and other financial institutions:

CreditCardCompany3 used my new credits to pay merchants or other financial institutions for charges to the account.

4. Monthly Statements:

CreditCardCompany3 failed to enter the new credits on my monthly statements.

5. Additional payments:

CreditCardCompany3 received additional payments, interest and other finance fees, which should have been posted as additional credits to the account, resulting in a bank liability.

The error was not apparent in the monthly statements or otherwise disclosed to me, thus no notice was given. However, the statements are a reflection of an underlying in-house error and thus subject to correction.

6. 12 CFR 226.13(a):

[X] The Billing Error stated herein represents: "(4) A reflection on a periodic statement of the creditor's failure to credit properly a payment or other credit issued to the consumer's account; (5) A reflection on a periodic statement of a computational or similar error of an accounting nature that is made by the creditor; (6) A reflection on a periodic statement of an extension of credit for which the consumer requests additional clarification, including documentation evidence."

7. POSTING DATE(S):

[X] All dates listed on the statements.

8. TRANSACTION DATE(S):

[X] All dates listed on the statements.

9. TRANSACTION(S):

[X] All transactions listed on the statements.

10. NAME OF MERCHANT(S):

[ ] N/A. This Billing Error Dispute does not involve any merchant(s).

**THIS BILLING ERROR DISPUTE DOES NOT INVOLVE:**

- A complaint about unauthorized charges on the credit card.
- A complaint about undelivered goods and services or an overcharge by a merchant.
- A dispute with a merchant or a dispute about a specific item of goods or services.
- A complaint about the quality of the goods or services.

- A complaint about alleged fraudulent and deceptive banking practices.
- A complaint about alleged claims regarding perpetration of fraud.
- A complaint about an unlawful extension of credit or creating credit instead of money.
- A complaint about my legal obligation to pay back money owed.
- A complaint about fraudulent creation of the account or an invalid agreement.
- A refusal to pay, or if I made charges to the account.
- A complaint about whether I accepted the terms and conditions and benefited.
- A preconditioning of my obligation to repay the party that funded the capital for money loaned.

ANY RESPONSE REGARDING THIS BILLING ERROR SHALL BE LIMITED TO THE ERROR ASSERTED AND MAY NOT EXTEND TO MATTERS WHICH THIS DISPUTE DOES NOT INVOLVE.

FAIR CREDIT BILLING ACT. Requirements:

1. An acknowledgment of the dispute within thirty (30) days. 15 USC Sec. 1666(a)(3)(A);
2. If the error is not corrected, a written explanation report following a reasonable investigation, including the production of documentation evidence, within ninety (90) days. 15 USC Sec. 1666(a)(3)(B)(ii); and
3. No restrictions or adverse actions on the account, pending resolution. 15 USC Sec. 1666(d).

FAIR CREDIT BILLING ACT VIOLATIONS. Failure to follow the rules pending resolution:

1. Relinquishment of the right to collect any alleged debt on the account. 12 CFR 226.13(d)(1);
2. Exposure to liability for actual damages plus twice the amount of the finance charges. 15 USC Sec. 1640(a)(1)&(2); and
3. Potential criminal liability for willful and knowing violation of the FCBA and other Truth in Lending provisions. 15 USC Sec. 1611(1)&(3).

CONDITION FOR WITHDRAWAL OF THE DISPUTE:

I hereby state that this Billing Error Dispute will be withdrawn if CreditCardCompany3 verifies the following statements under oath:

1. That they do not follow Generally Accepted Accounting Principles (hereinafter "GAAP") or the Federal Reserve Bank's policies and procedures;
2. That they did not create any new credits from my signed promises to pay, receipts, notes or other similar instruments, and use said new credit to pay for the charges to the account;
3. That they used their own assets or other depositor's money to fund the charges on the account;
4. That I am not entitled to have the account credited for any form of payment that they accept as money and/or assets under GAAP, or otherwise; and

5. That the foregoing was disclosed to me on a specified date in a document that is attached and incorporated into the affidavit.

Failure to verify the above five (5) statements under oath shall constitute additional proof that the stated Billing Error is correct.

**THIS NOTICE CONSTITUTES A NOTICE TO CEASE TELEPHONE COMMUNICATION**

**Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.**

WHEREFORE, I declare under penalty of perjury that the foregoing is true and correct to the best of my information and belief.

Date: \_\_\_\_\_

Signature \_\_\_\_\_

---

You can read for yourself the full text of the Truth in Lending Act, Fair Credit Billing Act, 15 USC Sec. 1666, 15 USC Sec. 1640, 15 USC Sec. 1611, and *Modern Money Mechanics* at the resource page mentioned earlier:  
[www.credit-card-debt-termination.com/resource/](http://www.credit-card-debt-termination.com/resource/)

This letter says that the bank never loaned any of its own money...

*"...Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created.."*

If the bank does not loan their own money, then whose money is it that the bank supposedly loans? And how can a bank loan money it doesn't have on deposit?

*"...If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts..."*

Creating money?!?! (We'll cover this later) So the bank creates money from my credit card application (a promissory note or promise to pay) to credit my account...

*"...CreditCardCompany3 accepted my signed promises to pay, receipts, notes or other similar instruments as bank money, creating and issuing new credits to my account that resulted in a bank liability (money owed to me)...."*

Because of these credits, no money is owed to CreditCardCompany3 because they did not loan any money. The money was created by my signature on the credit card application (a promissory note or promise to pay). These created credits are not owed to CreditCardCompany3. The credits were...

*"...CreditCardCompany3 used my new credits to pay merchants or other financial institutions for charges to the account..."*

Thus,

*“...I am writing concerning a billing error on my account. The monthly statements are inaccurate because they should reflect a bank liability (money owed to me), and not a debt...”*

There is no need to pay anything back because nothing was loaned. I do not need to pay CreditCardCompany3 because there was never anything loaned by them. Why should I pay them back something that they never loaned me to begin with?

My name and signature on the credit card application was used to create the money to fund the card. Without my name and signature the money would not have been created, it would not exist. CreditCardCompany3 used these credits to pay for the charges on the account.

In other words, my signed credit card application (promissory note) was converted into a “cash” asset by the bank. In fact, the bank endorsed the back of my credit card application (promissory note) just as it would any other deposit, and then deposited it into a “transaction account” (a special account no different than a checking account that was opened under my name, but without my knowledge or consent). The bank then returned this cash to me in the form of the credit line on this credit card account. CreditCardCompany3 wants me to pay back these credits (of my own deposit) as if they had loaned me their own money, which they did not.

The Verified Cardholder Billing Error Dispute Form was sent to the customer service address on the billing statements.

The Verified Cardholder Billing Error Dispute Form was sent to CreditCardCompany3 because I had made a payment within the past 4 months. The account had not gone into collection outside of CreditCardCompany3. Some of the late payment letters I received were from the collection department of CreditCardCompany3, but not from a 3<sup>rd</sup> party collection agency.

A few weeks after I sent the Verified Cardholder Billing Error Dispute Form I received this letter as a reply:

---

CreditCardCompany3  
Address  
City, State, Zip  
12-15-02

Bryan Smith  
Address  
City, State, Zip

Account Number: 1111-2222-3333-4444

Dear Bryan Smith:

This letter is to advise you that your account has been charged off and referred to the Charge Off Collection/Recovery Department.

It is very important that you call us within five days to discuss possible payment arrangements. Please be advised that if we do not hear from you, CreditCardCompany3 may be forced to sell your account to a third party purchaser of bad credit card debt. If this happens, all future correspondence and payment arrangements must then be made through them.

A CreditCardCompany3 representative is available to assist you Monday through Friday between the hours of 8:00 AM and 6:30 PM. Saturday between the hours of 9:00 AM and 3:00 PM. Sunday between the hours of 10:00 AM and 2:00 PM, Central Time 1-800-123-4567.

Because we value all of our customers, we will do everything possible to work with you on this matter. Therefore it is in your best interest to contact us immediately.

Regards,

Recovery Department

---

The above letter was sent from a different address than the customer service address listed on the statements I received. I sent the next letter to the return address on the above letter.

---

Bryan Smith  
Address  
City, State, Zip  
12-27-02

CreditCardCompany3  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

Re: Account No. 1111-2222-3333-4444  
Billing Error/Dispute, Amount in dispute: \$ 3,673.05

**NOTICE**

Dear CreditCardCompany3:

I am in receipt of your letter of December 15, 2002.

On November 19, 2002, I sent you a Billing Error/Dispute letter pursuant to the Fair Credit Billing Act (FCBA). As of this date I have not received an acknowledgment of the dispute as required by 15 USC Sec. 1666(a)(3)(A), or an explanation following a reasonable investigation, or a production of documentation evidence, pursuant to 15 USC Sec. 1666(a)(3)(B)(ii).

Until the dispute is resolved, you should be aware that collection activity is prohibited. 12 CFR 226.13(d)(1), and 15 USC Sec. 1666(a)(3)(B).

Please investigate this matter and respond to the billing error dispute that I submitted.

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice by  
Bryan Smith

---

I've never heard from CreditCardCompany3 again. But in April 2003 I received this letter from a collection agency, CollectionAgency5:

---

CollectionAgency5  
Address  
City, State, Zip  
4-7-03

Bryan Smith  
Address  
City, State, Zip

Creditor: CreditCardCompany3  
Account number: 1111-2222-3333-4444  
Amount Owed: \$ 3,673.05

Dear Mr. Smith:

The above referenced account has been assigned to this agency for collection and requires payment in full.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt or any portion thereof is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor.

Yours truly,  
Billy Collect  
CollectionAgency5  
1-800-123-4567

This is an attempt to collect a debt. Any information will be used for that purpose.

---

My reply:

---

Bryan Smith  
Address  
City, State, Zip  
10-2-02

CollectionAgency5  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany3 Account No. 1111-2222-3333-4444

**NOTICE OF DISPUTE;  
NOTICE TO CEASE ALL COMMUNICATIONS**

Dear CollectionAgency5:

I am in receipt of your recent letter demanding payment for an alleged debt.

This Notice is to confirm that your claim is disputed under 15 USC Sec. 1692 *et seq.* This is also to notify you that this matter is currently subject to the dispute resolution process of the Fair Credit Billing Act, 15 USC 1666, *et seq.*, and that pending resolution collection activity is prohibited. 12 CFR 226.13 (d)(1).

Under the circumstances, **I hereby notify you to cease all communications.**

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice  
Bryan Smith

---

After sending this letter, I've never heard from CollectionAgency5 again.

A month goes by and I received this letter from LawFirm1:

---

LawFirm1  
Address  
City, State, Zip  
11-16-03

Bryan Smith  
Address  
City, State, Zip

RE: Delinquent Account with AccountPurchaser4 as owner and assignee of CreditCardCompany3

Original Creditor Account #: 1111-2222-3333-4444  
Amount Owed: \$ 4,591.7

Dear Sir/Madam,

You are in default of your AccountPurchaser4 as owner and assignee of CreditCardCompany3 account in the amount of \$4,591.7. Our law firm has been retained to collect the balance due.

Please contact our office direction at 123-456-7890 to make immediate payment arrangements or send payment in full directly to LawFirm1, Address, City, State, Zip.

Should litigation become necessary to collect the account balance, you may also be held responsible for interest, court costs, and attorney fees as may be allowed by law.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt or any portion thereof is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor. This is an attempt to collect a debt and any information obtained will be used for that purpose.

Sincerely,

LawFirm1

---

My reply:

---

Bryan Smith  
Address  
City, State, Zip  
11-31-03

LawFirm1  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany3 Account No. 1111-2222-3333-4444

Dear CreditCardCompany3:

I am in receipt of your letter of November 16, 2003, demanding payment for an alleged debt.

CreditCardCompany3 received transaction credits from me in the approximate amount of the alleged debt, plus additional payments, resulting in a bank liability. Consequently, there is no debt on the account and your claim is disputed.

The above is supported by Federal Reserve Bank of Chicago's publication - Modern Money Mechanics, at Page 6 which states in part:

"Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts."

This letter is also to notify you to **Cease Telephonic Communications**.

Sincerely,

Signed without prejudice  
Bryan Smith

---

Notice that the letter was written to Dear CreditCardCompany3 and not LawFirm1. I also told them to cease telephonic communications and not all communications. The cease all communications was only sent to collection agencies.

After sending this letter I never heard from LawFirm1 again. A few weeks go by and I receive another letter from a different LawFirm:

---

LawFirm2  
Address  
City, State, Zip  
12-19-03

Bryan Smith  
Address  
City, State, Zip

RE: AccountPurchaser5 assignee of CreditCardCompany3

Balance: \$ 4,129.46  
Account Number: 1111-2222-3333-4444

Dear Mr. Smith:

Please be advised that this law firm represents AccountPurchaser5 which is the recent purchaser of your account. Our client alleges that you owe the balance of \$ 4,129.46, and I have reviewed the information regarding this matter provided by our client. After reading the important notice at the bottom of this letter, if appropriate please call our office to resolve this matter. If you dispute this debt, or any portion thereof, I urge you to take advantage of your right to dispute this debt as described in the important notice on the bottom of this letter.

Very truly yours,

LawFirm2

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt or any portion thereof is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor. This is an attempt by a debt collector to collect a debt and any information obtained will be used for that purpose.

---

My reply is the same as the previous letter:

---

Bryan Smith  
Address  
City, State, Zip  
1-3-04

LawFirm2  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany3 Account No. 1111-2222-3333-4444

Dear CreditCardCompany3:

I am in receipt of your letter of December 19, 2003, demanding payment for an alleged debt.

CreditCardCompany3 received transaction credits from me in the approximate amount of the alleged debt, plus additional payments, resulting in a bank liability. Consequently, there is no debt on the account and your claim is disputed.

The above is supported by Federal Reserve Bank of Chicago's publication - Modern Money Mechanics, at Page 6 which states in part:

"Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts."

This letter is also to notify you to **Cease Telephonic Communications.**

Sincerely,

Signed without prejudice  
Bryan Smith

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After sending this letter I never heard from LawFirm2 again.

A month later and I receive yet another letter from a different LawFirm essentially saying the same thing as the previous two LawFirms:

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LawFirm3  
Address  
City, State, Zip  
2-10-04

Bryan Smith  
Address  
City, State, Zip

Our Client: AccountPurchaser5 assignee of CreditCardCompany3  
Account Number: 1111-2222-3333-4444  
Balance: \$ 3,942.24

Dear Mr. Smith:

Your account has been referred to this office. In addition, because of interest, late charges, and other charges that may vary from day to day, the account balance on the day you pay may be greater. Hence, if you pay the full amount of \$ 3,942.24, an adjustment may be necessary after we receive your check, in which event we will inform you before depositing the check for collection. For further information, write the undersigned or call our office toll free at 1-800-123-4567. In accordance with Federal Law, we are required to notify you of the following:

“This firm is a debt collector. Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt or any portion thereof is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor if different from the current creditor. This is an attempt to collect a debt. Any information obtained will be used for that purpose.”

If you have any questions, please contact this office.

Yours Truly,

LawFirm3

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My reply is the same as all the other to LawFirms:

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Bryan Smith  
Address  
City, State, Zip  
2-23-04

LawFirm3  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany3 Account No. 1111-2222-3333-4444

Dear CreditCardCompany3:

I am in receipt of your letter February 10, 2004, demanding payment for an alleged debt.

CreditCardCompany3 received transaction credits from me in the approximate amount of the alleged debt, plus additional payments, resulting in a bank liability. Consequently, there is no debt on the account and your claim is disputed.

The above is supported by Federal Reserve Bank of Chicago's publication - Modern Money Mechanics, at Page 6 which states in part:

"Of course, they (the banks) do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrower's transaction accounts."

This letter is also to notify you to **Cease Telephonic Communications.**

Sincerely,

Signed without prejudice  
Bryan Smith

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As of this writing in May 2004, I have not received any further communication from CreditCardCompany3, CollectionAgency5, LawFirm1, LawFirm2, or LawFirm3.

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CreditCardCompany4

The amount in dispute with this account was \$5,195.14. I made a payment in April of 2002. I received 9 letters from CreditCardCompany4 from July to October informing me that my payment was late.

In March 2003, I received this letter from CollectionAgency6:

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CollectionAgency6  
Address  
City, State, Zip  
3-3-04

Bryan Smith  
Address  
City, State, Zip

CreditCardCompany4  
Account number: 1111-2222-3333-4444  
Total Balance as of March 3, 2003: \$ 5195.14

Dear Bryan Smith:

We regret that your failure to cooperate has forced your account to its current status. We had hoped that your debt could be resolved on a voluntary basis, but apparently that is not possible.

If you choose to avoid the consequences of non-payment, you must telephone our office immediately at 1-800-123-4567.

We are a collection agency attempting to collect a debt. Any information obtained will be used for that purpose.

---

My reply:

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Bryan Smith  
Address  
City, State, Zip  
3-25-03

CollectionAgency6  
Address  
City, State, Zip  
Certified Mail No.: 1111-2222-3333-4444-5555

RE: CreditCardCompany4 Account No. 1111-2222-3333-4444

**NOTICE OF DISPUTE;  
NOTICE TO CEASE ALL COMMUNICATIONS**

Dear CollectionAgency6:

This is to notify you that that your claim is disputed. CreditCardCompany4 received credits from me in the approximate amount of the alleged debt, plus additional payments, resulting in an overpayment. Consequently, there is no debt on the account.

Under the circumstances, **I hereby notify you to cease all communications.**

Notice to the Principal is Notice to the Agent, and Notice to the Agent is Notice to the Principal.

Sincerely,

Signed without prejudice  
Bryan Smith

---

As of this writing in May 2004, I have not received any further communication from CreditCardCompany4 or CollectionAgency6.

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## Notes on the Letters

- The Verified Cardholder Billing Error Dispute Form was only sent to accounts that I had made a payment with during the past 4 months. The accounts I had not made a payment with I waited until I received a letter from an outside 3<sup>rd</sup> party collection agency. Once I received that letter I sent the Notice of Dispute and Notice to Cease All Communication letter.
- The Notice of Dispute and Notice to Cease All Communications letter was only sent to collection Agencies. Not law firms or credit card companies.
- All the letters were sent certified mail and return receipt requested.
- I replied to all letters within 30 days of receiving them.
- If I had received a letter with a copy of a monthly statement as verification of the alleged debt, I would have responded with: "I am in receipt of your letter of [date], attempting to validate an alleged debt. Unfortunately, the statements(s) do not reflect the transaction credits that were received. The claim remains disputed." I would have also included the quote from Modern Money Mechanics as well. I would have sent the letter certified mail with return receipt requested.
- The certified mail number was on all letters that I sent
- I kept a copy for my files of all letters that I sent

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## What the Federal Reserve Says

You can find the publications that we will be looking at in the resource page mentioned earlier at [www.credit-card-debt-termination/resources/](http://www.credit-card-debt-termination/resources/). In the Federal Reserve Bank of Chicago's publication, *Two Faces of Debt*, the Federal Reserve admits to bringing money into existence by lending credit. They also admit to an obligation to return loaned money to their customers upon demand, just as they would return checks or cash that has been deposited into their bank. On page 19, paragraph 3, you'll find the following quote:

*"For an individual institution, they arise typically when a depositor brings in currency or checks drawn on other institutions. The depositor's balance rises, but the currency he or she holds or the deposits someone else holds are reduced a corresponding amount. The public's total money supply is not changed."*

This paragraph is essentially saying that when you ("*the depositor*") visit your bank ("*an individual institution*") and make a deposit of money or a check from let say your employer who wrote you a paycheck that your balance rises. The check that you deposit from your employers bank account is reduced for the amount of the check.

The amount of money in circulation has not changed; it was transferred from one bank to another. On page 19, paragraph 4, you'll find:

*"But a depositor's balance also rises when the depository institution extends credit, either by granting a loan to or buying securities from the depositor. In exchange for the note or security, the lending or investing institution credits the depositor's account or gives a check that can be deposited at yet another depository institution. In this case, no one else loses a deposit. The total of currency and checkable deposits, the money supply, is increased. New money has been brought into existence by expansion of depository institution credit. Such newly created funds are in addition to funds that all financial institutions provide in their operations as intermediaries between savers and users of savings."*

Phew!!! There is a whole lot going on in this paragraph so I'm going to break it down for you. The first sentence essentially says that your balance can also rise when the bank grants you a loan.

*"In exchange for the note..."*

"The note" in our case refers to the credit card application which is considered a promissory note

*"...the lending or investing institution credits the depositor's account..."*

Crediting the account and depositing money into the account amounts to the same thing

*"...account or gives a check that can be deposited at yet another depository institution."*

If a bank can write a check from a credit card application/promissory note and deposit it at another bank this gives us more indication that the application has been converted to money.

*"...the money supply, is increased. New money has been brought into existence by expansion of depository institution credit"*

If the money created by the application/promissory note causes the money supply to increase and it truly is "new money," where did the money come from? It was created from a signature, which is personal property. Since the banks have created the money using the personal property of the account holder, it is account holder's money. This means the banks are paying for credit card purchases with money that belongs to the person who signed the credit card application.

Paragraph 5 says,

*"But individual depository institutions cannot expand credit and create deposits without limit. Furthermore, most of the deposits they create are soon transferred to other institutions. A deposit created through lending is a debt that has to be paid on demand of the depositor, just the same as the debt arising from a customer's deposit of checks or currency in a bank."*

The last sentence is most important, "A deposit [of money] created through lending [from the application/promissory note] is a debt that has to be paid on demand of the

*depositor, [the person who signed the application] just the same as the debt arising from a customer's deposit of checks or currency in a bank."*

And there you have it! The Federal Reserve admits to an obligation to return money created through lending to the customers upon demand, just as they would return checks or cash that have been deposited into their bank. The credit card companies probably aren't going to track you down to give you a refund check. I'm just as happy walking away from the debt that they say I owe them.

Another Federal Reserve Bank of Chicago's publication is *Modern Money Mechanics*. In this publication the Federal Reserve admits that money is created by banks. On page 3 and 4 you'll find:

*"The actual process of money creation takes place primarily in banks. As noted earlier, checkable liabilities of banks are money. These liabilities are customers' accounts. They increase when customers deposit currency and checks and when the proceeds of loans made by the banks are credited to borrowers' accounts.*

*"In the absence of legal reserve requirements, banks can build up deposits by increasing loans and investments so long as they keep enough currency on hand to redeem whatever amounts the holders of deposits want to convert into currency. This unique attribute of the banking business was discovered many centuries ago.*

*"Then, bankers discovered that they could make loans merely by giving their promises to pay, or bank notes, to borrowers. In this way, banks began to create money. More notes could be issued than the gold and coin on hand because only a portion of the notes outstanding would be presented for payment at any one time. Enough metallic money had to be kept on hand, of course, to redeem whatever volume of notes was presented for payment.*

*"Transaction deposits are the modern counterpart of bank notes. It was a small step from printing notes to making book entries crediting deposits of borrowers, which the borrowers in turn could 'spend' by writing checks, thereby 'printing' their own money."*

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## How Disputing Debt Has Effected My Credit Report

I recently looked up my credit report to see what it said. For each of the 4 credit card accounts, there was a negative entry and the account was “charged-off.” Additionally, my report also said that another lender purchased each of the charged-off accounts. I assume this to be the various account purchasers. CollectionAgency6 was listed on my report as a collection account.

There are various companies on the Internet offering credit repair services for people in my situation with negative entries on their credit report. All negative entries on a credit report are disputable. If the credit bureaus are unable to verify the negative entry within 30 days of the dispute then they must, by law, remove it. I have full faith that it is possible to remove all of the negative entries on my credit report. Two companies I have researched that in my opinion look to be the most reputable are [www.creditattorney.com](http://www.creditattorney.com) and [www.lexingtonlaw.com](http://www.lexingtonlaw.com).

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I’d personally like to thank you for purchasing this ebook. I would especially enjoy hearing your feedback, suggestions, and questions.

You can reach me at:

[www.credit-card-debt-termination.com/contact/](http://www.credit-card-debt-termination.com/contact/)