Are Debtors Prisons Coming Back?

November 30, 2011 - Federal debtors prisons were abolished in the United States in 1833, and most states also did away with them around the same time period. Because of this, very few people ever think about the possibility of going to jail for failing to pay off their debts. But you may be surprised to learn that in 1/3 of the states, you can be sent to jail for not paying your bills. And there is a growing chorus of debt collecters pushing to jail as a threat for those skip out on payment.

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The Daily Caller did an interesting video segment on the issue of debtors prisons.

Most people that find themselves facing jail time over debts have done a little more than just miss a payment. To send you to jail, a warrant needs to be issued by a judge. Debt collectors can't simply demand that the local police arrest you.

In most cases, what happens is that the judge gets upset because the debtor either missed a scheduled court appointment, or missed a court ordered payment. But that isn't always the case.

Debt collectors are bound by the rules of the Fair Debt Collection Practices Act. Additionally, many states have their own version of this law. The act specifically forbids debt collectors from threating to sue unless they actually intend to move forward with a law suit. They can't use profane language, or threaten you personally. That's the good news.

The bad news is that if a debt collector does threaten to have you thrown in jail, then he might actually be serious. That may be the time to speak with an attorney.

According to the Wall Street Journal, an audit of 9 counties allowed them to conclude that since the beginning of 2010, judges have signed off on more than 5,000 such warrants. The practice seems to be especially prevalent in Illinois.

The irony here is that the people who owe the money are usually not paying because they have lost their jobs. Throwing

them in jail will make it impossible for them to find a job for, at a minimum, the amount of time they are locked up.

Of course, declaring bankruptcy will end any talk of jail. Once a debtor does this, the court has the power to stop debt collectors in their tracks.

byJim Malmberg
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