



“Commercial Debt Negotiations - Lower Your Offer When They Expect You to Raise It”

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When a creditor, or their representative, does not respond to your initial offer, do not become anxious or concerned. If a response has not arrived within about four days, fax or call them to verify that the initial offer was indeed received. Indicate in the fax that new developments subsequent to your last settlement offer require immediate communication from the creditor(s). Include any other subtle hints that might motivate the creditors to respond, but do not negotiate in this fax.

The purpose of this fax is to simply provide reasons that will cause the creditor to take action. When the creditor calls, try to avoid taking the call immediately. If one answers the telephone and it is one of these non-responsive creditors, act hurried and busy. Indicate in an apologetic manner that you will have to take their telephone number and call them back. Usually that creditor will not get a call back for about a day or two.

When you contact the creditor, approach them with a very rushed, yet almost apologetic attitude. It is important to indicate how sorry you are that you have not been able to get back to them in a timelier manner. Point out that recent developments have created such a backlog in your office that you just have not been able to return their call.

Obviously the creditor is calling to determine the nature of the new developments. They may also indicate that they did not respond to the original settlement offer because the offer was too low. In effect, the creditor is holding out for more money. Surprise!

If the creditor suggests an increase of the original offer or makes a counter-proposal, you can explain, very calmly and apologetically, that while appreciating the creditor's position, unfortunately, you can no longer honor the original offer of 15%!



You might expect a very long period of silence on the part of the creditor. You may expect some comments from the creditor, indicating they are a little bit surprised. A little shocked is more like it. You should listen to the creditor, but do not let them hang up.

After a period of listening and possible discussion, you can indicate to the creditor that while it is unfortunate that you cannot honor the original offer, you can arrange a payment of \$_____.

This dollar amount should be about 12% of the amount originally owed. In my 20 years of experience, this approach has allowed me to achieve on average more than a 60% reduction in debt burden for my clients.