

What Debt Lawyers Charge for Debt Defense Work

Or Why it's so Hard to Find a Good Debt Lawyer you Can Afford

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What Lawyers Need to Charge for Debt Defense Work

In this article we talk about what lawyers need to get in debt cases and why you probably can do better by defending yourself.

I hear lots of different numbers from members who have tried to get a lawyer to represent them in debt cases – there's no telling exactly what number you'll hear if you talk to a lawyer regarding your specific case. Probably big. That isn't necessarily wrong or a rip off in any way – it just reflects some underlying financial realities.

Law is a Business

Most debt lawyers who represent defendants are in it for ideological reasons – this is a type of law where the lawyers choose sides and pretty much stay on them. And as you should know, it pays much, much better to be on the side of big rich corporations than it does to represent the people they're after. There may be some firms that have managed to automate and mechanize the defense process to such an extent that they can do a good job and make a bundle, but I haven't seen or heard of them.

As far as I've ever seen, representing debt defendants is a very tough business. How does that translate into daily reality?

Daily Realities

First, an established lawyer needs to bill about \$150 - \$200 per hour. I know that seems like a lot, and it is a lot, but you don't just get a lawyer for that money – you get an office and a staff. Or to put it slightly differently, the lawyer has to hire those people and pay for those things out of what she charges you.

When a lawyer takes a case, and “appears” on your behalf in court, it often isn't easy to “withdraw” from it later if, for example, you don't pay your bills or if the case goes in unexpected or disastrous ways.

That means the lawyer, as a practical matter, has to charge you up front at least enough to make the case pay, taking his best guess where that case may go. And then hope for the best regarding whatever else you may come to owe. Hence a high retainer – often particularly high in debt cases because... let's face it... you're being sued because someone says you didn't pay your bills.

Uncertainty

Then there's the uncertainty regarding how much time the case will take – good lawyers often have lots to do, and lots of choices. Taking one case can mean NOT taking another one. A debt case, with relatively low amounts at stake, can be low on the totem pole of priorities.

The Duty to Make Fees Reasonable

The amount at stake – no matter how much you think your case is big – is small for most lawyers, and that raises an ethical issue. Lawyers are supposed to keep their fees somewhat in line with the results obtained.

Does saving you from a \$25,000 debt justify a \$10,000 bill? Maybe – although if you could afford the \$10,000 you probably wouldn't be being sued. What about a \$7,500 debt though? How much fee is justified there?

The average lawyer is caught between a rock and a hard spot in debt cases, because doing a good job takes time. If it's a big debt, it might allow more time, but getting the fee could get tough. If it's a small debt, it won't justify the fee.

And then there's the learning curve. Most lawyers don't know debt law, and they don't know how much they don't know. The good ones know it could take some time to catch up, but how do they charge you for that? That's easy to do in a corporate merger involving millions of dollars, not so easy in a debt case where you're sweating bullets over ten thousand in possible liability.

The bad ones don't worry about catching up. But you'll obviously pay for it one way or another, right?

Leverage

We just came out with a product – the First Response Kit – that includes an Answer and a first set of

discovery – interrogatories, requests for documents, and requests for admissions. That took about ten hours to create.

Your Lawyer Works One Case at a Time

A lawyer working on your case would probably charge, or want to charge, around \$1,500 - \$2,000 for doing that. Or would have to do a less thorough job. And that's just one small example of the way the business works. Every time someone has to show up for your case or do any work on it, someone has to pay.

Or Maybe a Little More

If the lawyer can take a large number of cases, he or she can achieve some economy of scale – that is, can divide the cost of showing up among all the clients who need it on a given day. But it's tough, and very rare, for anyone to manage this.

The Debt Collector's Lawyer Works a Hundred Cases at a Time

The lawyer suing you shows up on a hundred cases at a time. That's because he filed those suits, and it doesn't matter whether the people being sued want to show up or not – they're in the case because he put them there. The debt defense lawyer, on the other hand, is representing only *voluntary* clients. When I was practicing law, I'd send people letters suggesting, more or less, that they hire me. I got a 3 – 5 % call-back rate. That is, only 3-5% of the people I sent letters to even discussed the suit with me.

A union-paid lawyer I knew offered all union employees being sued for debt *free* representation. And under his circumstances, he could tell them he'd get them off every time.

He got a 1% return on his letters.

That meant the debt collector's lawyer could work 100 times more efficiently at the early stage of a lawsuit. As the suit wore on, some of that advantage went away, but they never lost it all. And that advantage translated into every document created, every argument made, and every appearance at court throughout the lawsuit.

And that's why it's so hard for you to get a good debt lawyer at a price you can afford. Your lawyer is always fighting against a lawyer who can charge less to do more for his or her clients.

There Is a Happy Ending

As uneven as the process is in terms of hiring a lawyer, there is another way. You can represent yourself.

Sure, you have challenges, from scheduling for hearings to learning a bunch of new stuff. But you don't have to make \$200 per hour or worry about cutting corners to justify what you charge. You get the full value of your work, and it is often worth much more than \$200 per hour.

And when you make the other side work, you know you're making them worry because someone is paying their lawyer that \$200 per hour.

Of course you want to do a good job, but because the case is worth the full value to you, you can take the time to do a good job. If the time comes when you decide it isn't worth fighting anymore, you can stop. You'll lose the case if you do, mind you, but it's your choice, while a lawyer representing you wouldn't have that choice and thus must charge you to prepare for the possibility of being stuck in a case.

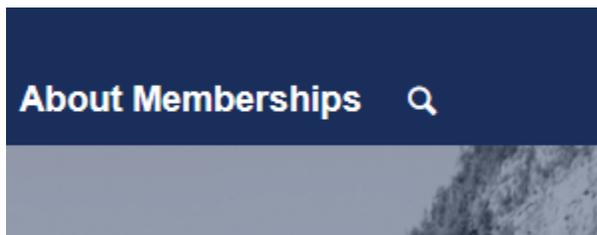
All you need is a little help doing some of the new stuff that you don't understand, and you can get that help from us.

Your Legal Leg Up

[Your Legal Leg Up](#) is a website and business dedicated to helping people defend themselves from debt lawsuits without having to hire a lawyer. As you can see below, we have a number of products as well as memberships that should help you wherever you are in the process. In addition to that, our website is a resource for all. Many of the articles and materials are reserved for members, but many are available to everyone.

Finding Resources

Our website is both a business and a public resource, and you can use it to find information on a wide variety of debt law-related topics. While many of our resources are restricted to members, of course, many more are free to the public. Please feel free to use it. Every page has a site search button in both the header and footer. It's a little magnifying glass icon that looks like this:



Click on the magnifying glass icon, and a small window opens. Put in a key word – a word you think relates to what you're looking for – and enter. You will get a page of results.

Memberships

We have quite a few products that will help you with specific issues (you can find them by clicking on the "products" button in the top menu of every page on the site), but most people should consider starting with a membership.

Members get discounts on all products as well as unlimited opportunities to join our regularly scheduled teleconferences. This gives invaluable real-time assistance, answers to questions, help with strategies, and encouragement. You also get the Litigation Manual for free with membership. Find out about memberships by clicking the "About Memberships" link in the menu at the top of any page on the site.

Sign Up for Free Information

You can sign up to receive free information from us by clicking on this link and following the instructions: <https://yourlegallegap.com/blog/sign-up-for-free-information/>

What you'll receive if you sign up is a series of several videos and articles spread out over several days, and then you will occasionally hear from us as we add information to the site. We don't always announce that information, though.

What you will not receive is any marketing from other people – or much from us, either. Our goal is to make the site more useful to members and visitors, not to swamp anyone with sales materials. The information we send will have links to information or products that we think may be helpful.