

Prioritizing debt: Which bills do I pay first?

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- ❖ You can find the fact sheets and Do It Yourself packets we link to here at [WashingtonLawHelp.org](https://www.washingtonlawhelp.org).
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What can I do about my debt?

Nearly all of us have faced a problem with bills we cannot afford to pay: credit card debt, a doctor's bill, or an unpaid student loan. You may have enough income to pay some bills, but not all. You may not know which bills to pay first.

The advice we give here is general advice only. If you have serious debt issues, check with other resources, including a lawyer. We have information about helpful resources below.

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- ❖ **Don't pay anyone to consolidate or settle your debts.** Free credit counseling assistance is available if you need it. Visit [Consumer credit counseling](#) to learn more.
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Which bills should I pay first?

1. Food and Housing

These are most important. You don't want to lose your housing or not have enough to eat and stay healthy.

- **Renters** - If you don't pay rent on time, the landlord can evict you even if you have a good reason for not paying. For help paying rent, [call 2-1-1](#) for names of social service agencies that might be able to help.
- **Homeowners** - If you're behind on mortgage payments, you could end up in foreclosure. If you cannot afford your mortgage payments, you can talk with a housing counselor with the [Washington Homeownership Resource Center](#) at 1-877-894-4663. If you have a low income, contact the Northwest Justice Project's Foreclosure Prevention Unit (FPU) at 1-800-606-4819.

If you cannot afford to buy enough food, [contact your local DSHS office](#). (You can find the office nearest you at dshs.wa.gov/office-locations.) Find out if you can get food stamps. Call 2-1-1 to find out where food banks are in your area.

2. Utilities

You must pay your electric, gas, water, and phone bills to keep these services. **Don't wait for a shut-off notice.** Many utility companies have payment plans where you pay the same amount each month so you can budget your money. Ask your own utility companies about payment plans.

You may also qualify for the [Washington Low Income Home Energy Assistance Program \(LIHEAP\)](#) benefits for help with home heating costs. Visit bit.ly/3yu4RBe to learn more.

3. Car loans and car insurance

If you need your car for any reason, you must make your car payments **on time**. One missed payment can result in repossession of your car.

Car insurance is also important. Washington law requires all drivers and owners to have insurance. If you don't have insurance and you're in an accident, your driver's license may be suspended. **Don't let your car insurance lapse.**

4. Child Support

If you owe child support and cannot afford to pay, try to make a partial payment each month. Then, contact the Division of Child Support (DCS) or a lawyer. See if you can change (modify) the current support order. If you don't pay anything, your driver's license could be suspended.

If DCS is garnishing support from your wages, contact a lawyer. Find out if you can get the amount garnished lowered or your current support order modified. If DCS agrees to lower your monthly payment amount, they may require you to sign a document, called a waiver, that would give DCS even more time to try to collect support from you than they already have. Talk with a lawyer before signing this waiver. Read [I want to change \(modify\) my Child Support court order](#), [Ask DCS to help change Your child support order](#), and/or [Child support and license suspension](#) to learn more.

5. Federal Student Loan Debt

Contact a lawyer or go to studentloanborrowerassistance.org to learn about your options for paying back federal student loans. You might be able to put off (defer) making payments. There are also income-based repayment plans based on your current income and household size. Your payments could be as low as **zero**.

If you're in default on your federal student loans and you're not in deferment, forbearance, or a payment plan, the Department of Education might garnish your wages or Social Security benefits, or take your federal income tax refund.

If you have private student loan debt, repayment options are different than for federal student loans. Contact a lawyer or go to studentloanborrowerassistance.org to learn more.

If you have a disability, you may be eligible for a total, permanent disability discharge. Read [Discharging student loans due to disability](#) to learn more.

6. IRS debts

Contact a lawyer. Depending on your income, the Internal Revenue Service (IRS) might put your debts "on hold." You can get rid of (discharge) in bankruptcy some debts owed the IRS.

If you have a low income, you may be able to get free help from the [University of Washington's Taxpayer Clinic](#). Call them at 1-(866) 866-0158 or visit bit.ly/4aHkTHy.

7. Hospital and medical bills

- **Charity Care.**

If you have hospital bills because you went to the emergency room or had to be admitted to the hospital, you may be eligible for **Charity Care**. This program helps pay all or part of a hospital bill if the hospital determines you have a low income.

You can apply for Charity Care through the hospital. Read [Can I get Charity Care benefits to pay for my hospital bill](#) to learn more.

If you have medical or dental bills or hospital bills not covered by Charity Care:

- Figure out if your insurance should pay for these bills. If you don't have insurance and you have a low income, you may be eligible for Apple Health benefits.
- Negotiate with a medical provider. Ask their billing department to reduce (lower) or eliminate the bill.
- Ask for financial assistance similar to Charity Care based on your income.

- Ask that you pay the same amount as insured patients pay. This is often much lower than what non-insured patients pay.
- As a last resort, you may be able to get rid of (discharge) these bills in a Chapter 7 bankruptcy.

Read [Getting help with medical debt in Washington State](#) to learn more.

- **Balance Billing (also called Surprise Billing).**

This happens when you're treated by a medical provider at a hospital or facility that you believe is in your health plan's network, but it later turns out that they aren't. On top of your expected out-of-pocket costs, you're also charged the difference between what your insurer has agreed to pay your provider and what your provider charges. This amount could be hundreds or thousands of dollars.

There are legal protections against some kinds of surprise medical bills. It's illegal for an out-of-network health care provider to charge you more than you would have been charged in-network for:

- Starting June 6, 2024, **surprise billing for ground ambulances is now illegal**. This includes all medically needed services you get from a ground ambulance at the scene of an emergency and on the way to a hospital or other facility. Surprise billing for air ambulance (for example, if you must be airlifted to a hospital) is still legal.
- Emergency services (including behavioral health crisis, air ambulance, and post-stabilization services)
- Non-emergency surgical or other ancillary services provided by an out-of-network provider at an in-network hospital or surgical center. These services include surgery, anesthesiology, pathology, radiology, neonatology, laboratory, or hospitalist services.

Some balance billing is legal because it isn't a surprise. For example, if you get care from a provider that you know your plan doesn't cover, you wouldn't be surprised when you get a bill for their services, on top of what your plan covers.

Visit the Office of the Insurance Commissioner's website at bit.ly/3OrSeFr to learn more about what to do if you get a surprise medical bill.

8. Credit Cards

If you have credit card bills you can't afford to pay, you should pay them **only** if you have money left over after paying other bills.

If you have a lot of credit card debt and/or medical debt, you can get rid of (discharge) it all through a Chapter 7 bankruptcy. You can only file for Chapter 7 bankruptcy once every 8 years. Read [Should I file for Chapter 7 Bankruptcy](#) to learn more.

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- ❖ A creditor or collection agency might try to scare you into paying by threatening you with arrest. You should know that a creditor cannot have you arrested. But they can file a lawsuit against you. If you receive court papers, contact a lawyer right away. See contact info below.
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Debt collectors are calling and constantly harassing me. What should I do?

- **Don't talk to them.** They'll try to scare you into paying them money you cannot afford to pay. It's okay to screen your calls or just hang up.
- Don't use money you need for rent, food, or other essentials to pay a collection agency.
- Never give a collection agency your personal information.
- Never give a collection agency or other creditor your bank account information or authorization to withdraw money from your bank account.
- If the collection agency is contacting you more than 3 times a week, contacting you in the middle of the night, or threatening you, they're violating federal law. Contact a lawyer as soon as you can. Read [Debtors' rights: Dealing with collection agencies](#) to learn more.

Someone came to my door and handed me court papers. What should I do?

Don't ignore court papers, even if you think they're for someone else or you don't owe the person suing you. You have **20 days** from the date the court papers were handed to you to file a written response.

Contact a lawyer as soon as possible. You can also use our [How do I answer a lawsuit for debt collection](#) printable packet or our Do-it-Yourself Forms online interview [Answer a lawsuit for debt collection](#) that generates forms and instructions for you at WashingtonLawHelp.org.

A creditor sued me and I lost. What happens next?

The creditor now has a court order called a judgment that allows them to use tools such as garnishment of your income or property to collect what you owe them.

You can try to offer the creditor less than full payment of the judgment or offer a payment plan. The creditor can but doesn't have to accept anything less than what the judgment says you owe.

It might be very hard to appeal a judgment or get it set aside once the case is over. Talk to a lawyer to figure out what your options are.

Can a creditor garnish my income?

It depends. If the case was over child support debt, federal student loan debt, or some other debts to the federal government, your income can be garnished. But the law protects certain types of income and property from garnishment by other types of creditors. Read [Money that cannot be taken from you \("garnished"\) to pay off a debt](#) to learn more.

Get Legal Help

- **Apply online:** nwjustice.org/apply-online
- **Facing Eviction?** Call 1-855-657-8387
- **Facing Foreclosure?** Call 1-800-606-4819
- **Facing a legal issue in King County** (other than Eviction or Foreclosure)? Call 211 (or toll-free 1-877-211-9274) weekdays 8:00 am to 6:00 pm. They will refer you to a legal aid provider.
- **Facing a legal issue outside of King County** (other than Eviction or Foreclosure)? Call the CLEAR Hotline at 1-888-201-1014 weekdays between 9:15 am and 12:15 pm or apply online at nwjustice.org/apply-online.
- **Seniors (age 60 and over)** with a legal issue outside of King County can also call CLEAR*Sr at 1-888-387-7111

Deaf, hard of hearing or speech impaired callers can call any of these numbers using the relay service of your choice.

Interpreters provided.

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