

Mediation

Alternate Dispute Resolution (ADR) is the best way to resolve your differences without going to court. There are three types of ADR, Arbitration, Mediation, and negotiation.

Mediation is a combination of Arbitration and Negotiation. During Arbitration, a third party arbitrates two party's disputes and decides who is right. During negotiation, the two parties or their representatives meet and decide on a compromise agreement.

Unlike arbitration, and like negotiation, the mediator does not resolve the parties' differences. Rather, a mediator helps both parties come to a compromise. In fact, a mediator's job is to help the parties negotiate. Also unlike arbitration, the results of mediation may be binding, meaning the parties cannot appeal a compromise, but may not be binding.

Mediation, like arbitration has a structure a lot like a court setting. Also like arbitration, Mediation is heard by a third party (the mediator). Third, Mediation is also designed to resolve a situation once a dispute has occurred rather than a pro-active solution like negotiation.

Therefore, if you're looking to keep your creditor from suing you about a delinquent account, prevent a foreclosure, or any other dispute, you should try and negotiate with your creditor. If your creditor sues you in court or attempts to enforce an arbitration clause, then you can try to get them to agree to mediation instead.

In order to try and get your creditor to agree to mediation rather than a lawsuit or arbitration, there are a few tricks you can use. They are:

1. Point out that mediation is cheaper than either a lawsuit or arbitration.
2. Tell them you're willing to agree to pay half of the mediation costs (it will still be cheaper than going into court).
3. Convince them you really want to resolve this dispute and pay them what you owe.
4. Point out that you've tried negotiating with them to resolve the dispute, but it hasn't worked.
5. Remind them that if you have to file for bankruptcy before the court case (or arbitration) has been resolved, they'll have to stop their collection attempts and may lose all or most of the money they lent you.

Mediation may not be the perfect solution to getting rid of your delinquent debt, but when you're in trouble and being harassed by creditors, you should never eliminate any option to becoming debt free unless you've tried it.

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