



A Tip to End That Payment Dispute!!

Every so often, I get a call—usually from a very apologetic person—asking if I could tell them about the “secret language” they can write on a check to end a dispute. It takes me a minute to explain and, undoubtedly the caller is very grateful for the information. It seems to me that every American is entitled to know this little tip. Here it is.

The Law of Accord and Satisfaction: If you have a dispute with a person over a debt owed, you can write them a letter enclosing a check as your offer of final payment. Indicate in the letter that you are offering to resolve the entire debt, and that if they cash the check, you will assume they accept your payment as “an accord and satisfaction” of the entire debt. Write “For Accord and Satisfaction” in the memo line of your check. Keep a copy of the letter and check. If the person cashes the check and later disputes that you actually owe more on the debt, point out the fact they cashed a check offered in accord and satisfaction. This should end the discussion. You win.

Now, as a caveat, my advice here cannot be substituted for the advice of a lawyer who knows your case.