

Pervasiveness of Consumer Debt Collection

In 2017, the Urban Institute found that [71 million Americans](#) had a debt in collection on their credit report. Debt in collections can wreak havoc on consumers, subjecting them to harassing debt collection calls and potential lawsuits.

Millions of Americans allegedly owe money to debt buyers. Encore Capital Group, Inc., one of the nation's largest debt buyers, claims [that 20% of US consumers either currently owe it money or have owed it money in the past.](#)

Consumers are inundated with debt collection calls. Collectors estimate they contact consumers [more than a billion times a year.](#) Consumer complaints about collectors continuing to call after being told to stop and calling too frequently were the [top law violations in complaints compiled by the FTC in 2017.](#) The CFPB has reported that credit card companies authorize their collectors to make [3-15 calls per account per day.](#)



Debt collection is a leading source of consumer complaints. In 2018, debt collection was the second leading source of complaints collected by the Federal Trade Commission (FTC), [generating more than 475,000 complaints.](#) Debt collection was also the second most common [source of consumer complaints to the CFPB,](#) with many consumers stating they didn't owe the debt or the amount was incorrect.

Debt collectors sue millions of struggling consumers. In a 2015 CFPB survey, [15% of all consumers who were contacted about a debt in collection were sued.](#) State trial courts are overrun with [debt collection lawsuits](#) but less than 10% of consumers are [represented by an attorney.](#) Creditors obtain [default judgments against consumers](#) in a majority of lawsuits, often without presenting any evidence and even when the consumer may have legitimate defenses.



The CFPB should protect all borrowers from abusive debt collection by:

- **Stopping telephone harassment,**
- **Banning collection of time-barred “zombie” debt, and**
- **Protecting consumer privacy.**