

# Advocates Urge CFPB to Strengthen Outlined Debt Collection Rules to Better Protect Consumers

FOR IMMEDIATE RELEASE: SEPTEMBER 22, 2016 || CONTACTS

## **Groups call for more robust documentation standards to ensure debt collectors can prove a debt is owed**

WASHINGTON, D.C. – A coalition of 59 national and state organizations, led by the National Consumer Law Center (NCLC), National Association of Consumer Advocates (NACA), Consumers Union, Americans for Financial Reform, and the Center for Responsible Lending (CRL) sent a letter to Consumer Financial Protection Bureau (CFPB) Director Richard Cordray urging the CFPB to strengthen its proposed outline to rein in abusive debt collection practices.

The coalition, made up of consumer, civil rights, and legal services advocates, highlighted their concerns over the CFPB's proposal and made recommendations to help protect consumers.

"The proposal represents a missed opportunity to fundamentally improve protections for consumers victimized by predatory debt collection practices," the groups wrote. "Some of the proposed changes will address certain debt collector conduct that hurts consumers. However, significant aspects of the outline fall far short of the reforms needed to protect consumers from abusive debt collection practices. The CFPB is the first federal agency with authority to issue regulations under the Fair Debt Collection Practices Act since Congress passed the law nearly 40 years ago. Congress provided that authority to make the world a safer place for consumers."

The letter notes that attempts to collect debt from the wrong person or in the wrong amount are a pervasive problem. For that reason, the letter urges CFPB to add a provision requiring debt collectors to review original account-level documentation for each account before initiating a collection. The groups also call on the CFPB to adopt stricter standards to bar lawsuits and default judgements based on faulty documentation.

The CFPB's proposed outline is part of an early rulemaking process for the first-ever federal regulation on debt collection. The next step in the process is for the CFPB to issue a Proposed Rule, which will be open for public comment.

A copy of the letter sent to Director Cordray is available at: <http://bit.ly/2cZq6mG>.

### **Related NCLC resource**

Consumer Debt Collection Facts, July 2016:

<https://www.nclc.org/issues/consumer-debt-collection-facts.html>

###

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert

witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness. [www.nclc.org](http://www.nclc.org)

**CONTACTS:** National Consumer Law Center: Jan Kruse [jkruse@nclc.org](mailto:jkruse@nclc.org)  
Center for Responsible Lending: Ricardo Quinto [ricardo.quinto@responsiblelending.org](mailto:ricardo.quinto@responsiblelending.org)  
National Association of Consumer Advocates: Christine Hines [christine@consumeradvocates.org](mailto:christine@consumeradvocates.org)  
Americans for Financial Reform: Jim Lardner [jim@ourfinancialsecurity.org](mailto:jim@ourfinancialsecurity.org)  
Consumers Union: Michael McCauley [mmccauley@consumer.org](mailto:mmccauley@consumer.org)