

# A Win for Consumers! FCC Limits Robocalls for Collectors of Federal Student Loan Debt

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**(WASHINGTON)** Consumer advocates applauded the Federal Communications Commission (FCC) for its issuance today of its Rules and Report implementing a provision of the 2015 Budget Bill that allows robocalls and texts to be made to a cell phone without the consumer's consent "to collect a debt owed to or guaranteed by the United States." The Budget Act provision permits these robocalls and texts by collectors of federal debt—primarily student loan borrowers who are delinquent on federal student loans, as well as taxpayers pursued by private collectors—subject to the regulations implemented by the FCC.

"The FCC's final rule limiting the number of robocalls and texts to three a month by collectors of federal student loans and other federal debt is a very important victory for consumers," said National Consumer Law Center attorney Margot Saunders. "We are also happy to see that the rule counts each initiated call as one call."

Consumers Union policy analyst Maureen Mahoney noted, "One of the most important protections requires that callers obey a consumer's request to stop calling. Indeed, the rule requires that debt collection callers notify consumers of this right to request that calls stop."

"With this rule, it appears that the FCC will continue to ensure that all consumers have the right to control the calls and texts they receive," said Linda Sherry of Consumer Action. Young Invincibles' Deputy Director of Policy and Legislative Affairs Reid Setzer also noted, "This is a positive step for millions of student borrowers affected by excessive, unwanted calls from loan servicers."

More than 1.7 million complaints are made to the Federal Trade Commission every year regarding unwanted robocalls. "We commend the FCC for holding the line to keep the plague of unwanted robocalls from becoming even worse," added Susan Grant, director of Consumer Protection and Privacy at Consumer Federation of America.

As requested by consumer groups, the FCC incorporated all of these important consumer protections into its formal Telephone Consumer Protection Act rule. The rule applies to debts that are either delinquent or are within 30 days of a deadline affecting the amount or timing of payments due, such as a deadline for maintaining a grace, deferment or forbearance period or an alternative payment arrangement.

## Related links

- Advocacy group letter to the FCC regarding essential principles of consumer protection that the FCC should adopt for calls to collect government debt, March 23, 2016
- Congress set to allow robocalls to cellphones, Oct. 27, 2015
- FCC protects consumers from unsolicited robocalls and texts to cell phone and moves to modernize Lifeline program, June 18, 2015

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Through multilingual consumer education materials, community outreach and issue-focused advocacy, Consumer Action empowers underrepresented consumers nationwide to assert their rights in the marketplace and financially prosper.

The Consumer Federation of America is an association of nearly 300 nonprofit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy and education.

Consumers Union is the public policy and advocacy division of Consumer Reports. Consumers Union works for health reform, food and product safety, financial reform, and other consumer issues in Washington, D.C., the states, and in the marketplace.

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. NCLC's Student Loan Borrower Assistance Project provides information about student loan rights and responsibilities for borrowers and advocates. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens, and make loan repayment more manageable.

Young Invincibles is a policy and advocacy organization committed to amplifying the voices of Millennials, ages 18 to 34, and expanding economic opportunity for our generation. Young Invincibles ensures that young adults are represented in today's most pressing societal debates through cutting-edge research and analysis, and innovative campaigns designed to educate, inform and mobilize our generation to change the status quo.