# More than 200 Organizations across the 50 States and D.C. Call for Strong Consumer Protections on Debt Collection

**For Immediate Release:** September 19, 2019

**Contacts:**

National Consumer Law Center: Jan Kruse at jkruse@nclc.org
Americans for Financial Reform: Carter Dougherty at carter@ourfinancialsecurity.org

*CFPB proposal would allow for more consumer abuse and harassment from debt collection industry*

**Washington, DC** – Late yesterday, a coalition of 232 nonprofit organizations from all 50 states and the District of Columbia sent a letter to the Consumer Financial Protection Bureau (CFPB) in response to its proposal that protects abusive debt collectors more than consumers. Instead of giving the debt collection industry more weapons to harass and abuse consumers, the coalition urges the consumer bureau to limit the number of phone calls per week, require consent of the person before sending emails or text messages, allow people to opt-out of electronic messages, hold debt collection attorneys responsible for misrepresentations, and prohibit the collection of "zombie debt." The National Consumer Law Center, Americans for Financial Reform, Consumer Federation of America, National Association of Consumer Advocates, U.S. PIRG, and Woodstock Institute also submitted technical comments (227 pages).

In May, the CFPB released its proposal to weaken major consumer protections established by the Fair Debt Collection Practices Act. Some of those proposals include:

- Allowing collectors to ring people 7 times per week *per debt*. For example, someone with 8 medical debts could hear the phone ringing 56 times a week;
- Authorizing collectors to send emails, texts, and private social media messages without consumer permission and with no set limits, and to send important information through hyperlinks;
- Allowing debt collectors to collect on "zombie debt" that is so old that the deadline for a lawsuit has passed and records of who owes the debt and for how much may be lost; and
- Protecting attorneys who file baseless lawsuits against the wrong consumer or for the wrong amount without verifying account documents.

"The CFPB's proposal greenlights collection of old debts past the legal deadline to sue, misrepresentations by collection attorneys, harassment and privacy violations by phone, email and text, and even security risks by requiring people to click on hyperlinks to get required information about a debt and their rights. The current consumer bureau proposal is a gift to abusive debt collectors and the final rule must include much stronger protections for consumers," said **Lauren Saunders, associate director at the National Consumer Law Center**.

"This proposal does not come anywhere near protecting consumers from predatory debt collectors. In fact, it allows the debt collection industry to abuse and harass consumers more than is currently allowed," said **Linda Jun, senior policy counsel for Americans for Financial Reform Education Fund**. "This proposal follows a consistent trend, set by the CFPB and its director Kathy

Kraninger, of turning its back to consumers every step of the way."

"The CFPB's debt collection spam plan is incredibly unpopular, likely illegal, and payback for the over $340,000 the debt industry funneled into Republican campaigns including Donald Trump's," said **Jeremy Funk, spokesperson for Allied Progress.** "When Director Kraninger decided to grant the industry's wish for more options to harass consumers, did she ever wonder, 'Would I mind getting never-ending texts from strangers asking for money?'"

"The CFPB has fumbled its opportunity to issue a proposal that will protect consumers from the worst misconduct in the debt collection market where abuse runs rampant," said **Christine Hines, legislative director at the National Association of Consumer Advocates**. "Our only hope is that the bureau will heed the advice and feedback from stakeholders, particularly consumer advocates and consumers themselves, to ensure a final rule that will strengthen existing safeguards instead of weakening them."

"This proposal is yet another step backward for a CFPB that is determined to ignore its mission to protect consumers. Consumers deserve clarity and compassion when it comes to debt collection not misinformation and harassment," said **Leandra English, director of financial services advocacy and outreach at Consumer Federation of America.**