

NCLC Applauds CFPB Plan to Issue Regulations Protecting Consumers from Abusive Debt Collection Communications

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WASHINGTON, D.C.- Today, Richard Cordray, director of the Consumer Financial Protection Bureau (CFPB), announced that the CFPB is moving forward with debt collection regulations implementing the Fair Debt Collection Practices Act (FDCPA). The proposed regulations will place limits on collection communications and require debt collectors to provide critical information to consumers about their rights.

These regulations will be a continuation of the CFPB's critical work protecting consumers and will follow directly from the CFPB's recently released report of the results of a national survey of consumer experiences with debt collection. The survey found that of the 70 million Americans who were contacted about a debt in the previous year, almost 12 million people were contacted by collectors eight or more times a week.

"Some debt collectors believe that harassing consumers through repeated calls is the best way to collect debts. But constant calls from debt collectors are upsetting to consumers and are neither legal nor good policy," **said National Consumer Law Center attorney Margot Saunders.** "We are hopeful that the CFPB will permit no more than four phone conversations a month, and clarify that consumers can verbally tell collectors to stop calling," added Saunders.

The planned regulation will also attempt to address the information gap between consumers and debt collectors by requiring collectors to provide consumers with critical information about their rights. "When it comes to crafting effective consumer disclosures, the devil is in the details," said April Kuehnhoff, a staff attorney at the National Consumer Law Center. "We are encouraged to see that the CFPB plans to rigorously test possible disclosures before releasing these proposed regulations."

These debt collection regulations are an important first step toward modernizing the FDCPA to ensure that it provides consumers with adequate protection from abusive practices by twenty-first century collectors. More work is needed to protect consumers from other abusive practices such as collectors seeking to recover from the wrong consumer or for the wrong amount, and we look forward to working with the CFPB on future regulations to address these concerns.

National Consumer Law Center Resources

Debt Collection Rulemaking at the CFPB:

- Issue Brief: Consumer Debt Collection Facts, July 2016
- Group Comments to the CFPB re: Advance Notice of Proposed Rulemaking re: Debt Collection, Feb. 28, 2014
- Report: Debt Collection Communications: Protecting Consumers in the Digital Age, June 2015
- Report: Zombie Debt: What the CFPB Should Do about Attempts to Collect Old Debt, January

2015

- Report: Strong Medicine Needed: What the CFPB Should Do to Protect Consumers from Unfair Collection and Reporting of Medical Debt, Sept. 2014