

The CFPB Must Stop Abusive Collection of Old Debts with Expired Statute of Limitations



The Consumer Financial Protection Bureau’s proposed supplemental debt collection rule would create disclosures for consumers when debt collectors attempt to collect after the statute of limitations (the deadline to sue) has expired, known as time-barred debt. Unfortunately disclosures won’t adequately protect vulnerable consumers.

The CFPB proposes four model disclosures for out-of-court collection of time-barred debt. However, aggressive debt collectors who comply with the letter of the disclosure requirements will continue to use high pressure collection tactics to limit the likelihood that consumers will be protected by such disclosures.

Submit a comment on the CFPB’s proposed rule by August 4, 2020.

Tell the CFPB to prohibit collection of all time-barred debt, in and out of court!

At a minimum, tell the CFPB that it must significantly improve disclosures by:

- **Conducting more testing of disclosures** to ensure understanding by vulnerable consumers;
- **Only allow collection of time-barred debt in writing.**
- **Require a time-barred debt disclosure by the collector in every communication** with the consumer.
- **Require all future debt collectors to treat the account as time-barred** if a prior debt collector provided a time-barred debt disclosure; and
- **Hold debt collectors accountable for delivering time-barred debt disclosures by using a strict liability standard rather than “know or should know.”**

See NCLC’s **issue brief** for more on what the proposed rule does and our recommendations for

strengthening it.

HOW YOU CAN COMMENT
(DEADLINE: AUGUST 4, 2020)

- **Email directly to 2020-NPRM-DebtCollection@cfpb.gov.**
- **Submit comments to [regulations.gov](https://www.regulations.gov).**
- **By snail mail to Comment Intake-CFPB, 1700 G Street, NW, Washington, DC 20552 Whatever method you choose, be sure to include Docket No. CFPB-2020-0010.**