

Before the pandemic, [68 million](#) people in the United States had debt in collection. Economic fallout from job loss and reduced hours related to the coronavirus pandemic have hit families hard with [millions struggling to pay their bills](#) and [communities of color hit hardest](#) by these economic hardships. Millions of additional consumers are likely to face collection related to the recession in the months ahead.

Now it is more important than ever for Congress and the Consumer Financial Protection Bureau (CFPB) to act to protect vulnerable consumers from abusive collection practices.

CONGRESS MUST:

- **Protect essential funds from garnishment.** Increase the amount of wages exempt from garnishment, and exempt an amount of funds in a bank account needed for basic expenses.
- **Increase penalties for violation of the FDCPA.** Adjust Fair Debt Collection Practices Act (FDCPA) penalties for inflation and index them to adjust automatically for inflation in the future. Allow recovery of multiple statutory penalties where the debt collector engaged in multiple acts to violate the Act.
- **Clarify that a validation notice must be provided in writing and by every collector.**
- **Clarify and expand FDCPA coverage.** Expand coverage to include all federal, state, and local government debts placed with debt collectors. Clarify coverage for debt buyers and in foreclosures. Clarify when medical debts are in default under the FDCPA.

THE CFPB MUST:

- **Require collectors to get consumer consent before using electronic communications.** Only allow electronic delivery of validation notices and other required disclosures if debt collectors have obtained consent from the consumer under the E-SIGN Act.
- **Require debt collectors to have and review critical account-level information.** Ensure that the right person is contacted about the right amount by a party legally entitled to collect the debt.
- **Stop collection of “zombie” debt.** Prohibit debt collectors from collecting time-barred accounts after the statute of limitations has run. At a minimum, prohibit suits on “revived” debt and limit contact to written communications with clear, consumer-tested disclosures that the consumer cannot be sued.
- **Prohibit harassment by phone.** Limit collectors to one conversation and three attempts per week per consumer. Retain ability to stop a channel of communications orally, including all phone calls.
- **Prohibit “parking” on credit reports.** Require collectors to provide notice of alleged debts to consumers before furnishing information to credit reporting agencies.
- **Improve language access.** Include a description in Spanish of what the validation notice is and how to get a translation in the CFPB’s model validation notice. Publish translations of the model validation notice in the top 8 languages used by consumers with limited English proficiency. Mandate use of translated validation notices when the collector is communicating with the consumer in one of these top 8 languages and require collectors to track and transfer language preference information.

For more information, please contact NCLC attorney April Kuehnhoff (akuehnhoff@nclc.org).