

Debt Collection

You may never come into contact with a debt collector, but if you do, you should know that there is a law to make sure you are treated fairly. The **Fair Debt Collection Practices Act** is intended to prohibit certain methods of debt collection. Of course, the law does not erase any legitimate debt you owe.

Are you a "debtor?"
If you use credit cards, owe money on a loan, or are paying off a home mortgage, you are a "debtor."

Prohibited debt collection practices: Harassment.

- Use of threats or violence to harm property or reputation.
- Publishing a list of consumers who refuse to pay their debts (except to a credit bureau).
- Use of obscene or profane language.
- Repeatedly using the telephone to annoy someone.
- Telephoning people without identifying themselves.

False statements

- Falsely implying that they are an attorney or government representative.
- Falsely implying that you have committed a crime.
- Falsely representing that they operate or work for a credit bureau.
- Misrepresenting the amount owed.
- Indicating that papers being sent are legal forms when they are not (and vice versa).

What debts are covered?

Personal, family, and household debts are covered under the Act. This includes money owed for the purchase of a car, for medical care, or for charge accounts.

Who is a debt collector?

A debt collector is anyone, other than the creditor or the creditor's attorney, who regularly collects debts for others.

How may a debt collector contact me?

A debt collector may contact you in person, by mail, telephone, or telegram. However, a debt collector may not contact you at inconvenient or unusual times or places, such as before 8 a.m. or after 8 p.m., unless you agree. A debt collector may not contact you at work if your employer disapproves. The military services consider military supervisors or commanders to be "employers." Thus, a debt collector who contacts you at your office or work site, or where your commander or supervisor prohibits it, is in violation of the law.

Can I stop a debt collector from contacting me?

You may stop a debt collector from contacting you by writing a letter to the collection agency telling them to stop. Once they receive this letter, they may not contact you again except to say there will be no further contact. The debt collector is allowed to notify you that some specific action may be taken, but only if the debt collector or the creditor usually takes such action.

May a debt collector contact any other person concerning my debt?

If you have an attorney, like a Legal Assistance Attorney, the collector may not contact anyone but the attorney. If you do not have an attorney, a debt collector may contact other people, but only to find out where you live or work. The collector is not allowed to tell anyone other than you or your attorney that you owe money. In most cases, collectors are prohibited from contacting any person more than once.

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Other prohibited practices by debt collectors:

- Saying you'll be arrested if you do not pay your debt.
- Saying that they will seize, garnish, attach, or sell your property or wages, unless the collection agency or the creditor intends to do so, and it is legal.
- Using any false name.

Unfair practices:

Debt collectors may not

- Collect any amount greater than your debt, unless allowed by law.
- Deposit a post-dated check before the date on the check.
- Make you accept collect calls or pay for telegrams.
- Take or threaten to take your property unless this can be done legally.
- Contact you by postcard.
- Put anything on an envelope other than the debt collector's name and address (that is, nothing that shows that the communication is about the collection of a debt).

What control do I have over specific debts?

If you owe several debts, any payment you make must be applied to the debt you choose. A debt collector may not apply a payment to any debt you feel you do not owe.

What can I do if the debt collector breaks the law?

You have the right to sue a debt collector in a state or federal court within one year from the date the law was violated. If you win, you may recover money for the damage you suffered. Court costs and attorney's fees also can be recovered. A group of people may sue a debt collector and recover money for damages up to \$500,000.

Who can I tell if a debt collector breaks the law?

In addition to this Federal law, many states have their own debt collection laws. Check with your state Attorney General's office to determine your rights under state law. Federal agencies rely on consumer complaints to decide which companies to investigate. You can assist these enforcement efforts by contacting the appropriate government office. Additionally, you can always contact your Legal Assistance Office.