



# Consumer Federation of America

**FOR IMMEDIATE RELEASE**  
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## **CFPB ACTIONS ON DEBT COLLECTION WILL PROTECT CONSUMERS FROM ABUSIVE COLLECTION PRACTICES**

*Bulletins Provide Guidance to Creditors and Collectors; Action Letters Provide  
Self-Help For Consumers Who May Also Now File Complaints With CFPB*

Washington, D.C. – Consumer Federation of America applauds the Consumer Financial Protection Bureau for the various actions it took today on debt collection activities. Together, these actions will protect consumers from harmful debt collection practices. The CFPB issued bulletins to creditors and debt collectors under its authority to prohibit unfair, deceptive, or abusive practices and under the federal debt collection laws. The first advisory warns creditors, debt buyers, and collectors that they must not misrepresent the amount of a debt, the creditor's identity, or the debt's legal status, fail to timely or properly post payments, falsely threaten arrest for non-payment, or engage in other similar conduct.

A second advisory warns debt-buyers and debt collectors to avoid deceptive claims about the positive effects of payment of a debt on credit scores, credit reports and creditworthiness. The impact of paying a debt upon an individual's credit may depend upon the age of the debt, whether the collector or debt-buyer reports payment information to credit reporting agencies, and many other factors that influence credit scores.

“CFA has been concerned about inaccurate information in the debt collection process, particularly with old credit card debt that has been resold and charged-off a number of times,” said Laura Udis, Senior Financial Services Advocate at the Consumer Federation of America. “The CFPB's actions today put both creditors and collectors on notice of their obligations under the law. These bulletins, together with appropriate enforcement and legal actions, will help reign in the worst abuses with falsified robo-affidavits involving sworn statements of amounts due made without personal knowledge of the debt, or worse, involving the wrong consumer or an amount not even due.”

Also today, the CFPB published action letters that consumers may send to debt collectors to ask for more information about the alleged debt, dispute the debt, restrict communication to certain times, cease all contact, or notify the collector that the consumer has an attorney. These “self-help” letters may resolve the consumer's issues with the collection process. In addition, the CFPB announced that consumers may now file debt collection complaints with it about debt collection problems.

“These model action letters give consumers a simple and effective method to exercise their rights under the Fair Debt Collection Practices Act,” said Udis. “In addition, consumers may file

complaints against debt collectors directly with the CFPB about inappropriate collection actions. These alternatives provide a number of options for communication between debt collectors and consumers to resolve debt collection issues.”

The Fair Debt Collection Practices Act does not relieve consumers from the legal obligation to pay valid debts, unless settled or discharged in bankruptcy, but provides consumers basic rights when a debt is in collections. Some of these rights must be exercised in writing but consumers may be unaware of them. These action letters will assist consumers in this process.

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*Consumer Federation of America is an association of nearly 280 non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, education and advocacy.*