



CONSUMER LOBBY DAY **2019**

**THE CONSUMER FINANCIAL PROTECTION BUREAU'S
PROPOSED DEBT COLLECTION RULE
OPENS CONSUMERS UP TO HARASSMENT AND ABUSE**

On May 7, 2019, the CFPB proposed a new rule governing third-party debt collectors. The proposal adds some new protections, but also permits practices that risk undermining the purpose of the Fair Debt Collection Practices Act (FDCPA) to protect consumer privacy and prevent harassment.

Preliminary concerns about the 538-page proposed rule include:

- **Allows too many telephone calls.** Collectors could make up to seven attempted calls per debt per week, potentially all in the same day. A student with 8 loans could receive 56 calls per week. *The CFPB should limit collectors to one conversation and three attempts per week per consumer.*
- **Allows texts and emails without consent and without limit.** Collectors would not have to get consumer consent to send emails or text messages and would not have to comply with the E-Sign Act to ensure that consumers actually have internet access. *Collectors should be required to obtain consent to send electronic communications and to comply with the E-Sign Act before sending key notices electronically.*
- **Permits violations of consumer privacy.** Debt collectors could leave “limited content” messages on voicemails that may not be private or with a person who answers the phone, including at a work number. *The CFPB should not exempt any forms of communication from the FDCPA and must require collectors to respect privacy in all communications.*
- **Fails to prevent abusive collection of time-barred zombie debt.** Collectors could not sue or threaten to sue on old debts that are beyond the legal statute of limitations, but they could pressure consumers to pay, potentially opening the consumer up to lawsuits by reviving the debt. The CFPB is testing disclosures, but any disclosures will only encourage abusive collection of these ancient debts. *The CFPB should ban the collection of time-barred debt, which is so old that collectors cannot legally sue, records are lost, and the debt cannot be collected without mistakes or deception.*

Consumer Lobby Day is a joint project of leading national, state and local consumer groups. For more information about CLD or the policies described on this fact sheet, please contact CLD@consumerfed.org