

CFPB Confirms Effective Date for Debt Collection Final Rules

JUL 30, 2021

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) today announced that two final rules issued under the Fair Debt Collection Practices Act (FDCPA) will take effect as planned, on November 30, 2021. The CFPB issued a [proposal](https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-delay-of-effective-date-for-recent-debt-collection-rules/) in April 2021 that, if finalized, would have extended the effective dates to January 29, 2022. The CFPB has now determined that such an extension is unnecessary. Following this announcement, the CFPB will publish a formal notice in the *Federal Register* withdrawing the April 2021 proposal.

The CFPB proposed extending the final rules' effective date by 60 days to allow stakeholders affected by the COVID-19 pandemic additional time to review and implement the rules. The public comments generally did not support an extension. Most industry commenters stated that they would be prepared to comply with the final rules by November 30, 2021. Although consumer advocate commenters generally supported extending the effective date, they did not focus on whether additional time is needed to implement the rules. The alternative basis for an extension that many commenters urged, a reconsideration of the rules, was beyond the scope of the NPRM and could raise concerns under the Administrative Procedure Act. Nothing in this decision precludes the CFPB from reconsidering the debt collection rules at a later date.

Two final rules under the FDCPA will take effect in November. The [first rule, issued in October 2020](https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-final-rule-implement-fair-debt-collection-practices-act/), focuses on debt collection communications and clarifies the FDCPA's prohibitions on harassment and abuse, false or misleading representations, and unfair practices by debt collectors when collecting consumer debt. The [second rule, issued in December 2020](https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-final-rule-on-consumer-disclosures-related-to-debt-collection/), clarifies disclosures debt collectors must provide to consumers at the beginning of collection communications. The second rule also prohibits debt collectors from suing or threatening to sue consumers on time-barred debt. Additionally, the second rule requires debt collectors to take specific steps to

disclose the existence of a debt to consumers before reporting information about the debt to a consumer reporting agency.

The CFPB is committed to informing consumers about their rights and protections under the rules and assisting debt collectors in implementing them. [Consumer education materials](https://www.consumerfinance.gov/consumer-tools/debt-collection/) (<https://www.consumerfinance.gov/consumer-tools/debt-collection/>) on debt collection and [resources to help debt collectors](https://www.consumerfinance.gov/compliance/compliance-resources/other-applicable-requirements/debt-collection/) (<https://www.consumerfinance.gov/compliance/compliance-resources/other-applicable-requirements/debt-collection/>) understand, implement, and comply with the rules are available through [consumerfinance.gov](https://www.consumerfinance.gov).

The CFPB will consider additional guidance for debt collectors, including those that service mortgage loans, as necessary. The CFPB recognizes that mortgage servicers are expected to receive a potentially historically high number of loss mitigation inquiries in the fall as large numbers of borrowers exit forbearance and that, as a result, mortgage servicers in particular may face capacity constraints. The CFPB will continue to work with all market participants to ensure a smooth and successful implementation.

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The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit www.consumerfinance.gov ([cfpb.gov](https://www.consumerfinance.gov)).

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