

Cleaver, Booker, Hill, Lee Re-Introduce Bipartisan Bill To Protect Consumers From Predatory Debt Collection Practices

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Press Release

(Washington, D.C.) – Today, United States Representatives Emanuel Cleaver, II (D-MO) and French Hill (R-AR) introduced H.R. 4403, the Stop Debt Collection Abuse Act of 2019. The bill would help safeguard American consumers by strengthening consumer protections against predatory debt collection practices. Senators Cory Booker (D-NJ) and Mike Lee (R-UT) introduced a companion bill in the United States Senate.

“No American should have to deal with abusive and predatory practices from debt collectors, especially when those debt collectors have been hired by the federal government,” **said Congressman Cleaver**. “This bipartisan bill strengthens consumer protections by rectifying loopholes in existing federal law that enable private companies hired by the federal government to unnecessarily harass individuals. It’s a common sense change, and it ought to be passed in a bipartisan fashion.”

“There is no justifiable reason for government-hired debt collectors to have extra authority to inflict aggressive debt collection practices. This bipartisan legislation will put government-hired debt collectors on a level playing field with private debt collectors. Additionally, studying debt collection practices can help identify the right balance between protecting consumers and ensuring that access to credit is not restricted,” **said Rep. Hill**.

“The harassment and aggression consumers face at the hands of debt collectors working on behalf of government agencies is unacceptable,” **Sen. Booker said**. “America’s hardworking families, small business owners, and students deserve to be treated with respect, integrity, and fairness. This bipartisan bill will close a loophole in federal law to hold debt collectors hired by the federal government to industry standards, ensuring that no one is subject to predatory collection practices.”

“The federal government should not be exempt from the rules governing the marketplace, and there should be no opportunity for cronyist abuse of the relationship between the people and their government,” **Sen. Lee said**.

Currently, the Fair Debt Collection Practices Act (FDCPA) makes it illegal for debt collectors to use abusive, unfair, or deceptive practices when collecting debts from consumers. Unfortunately for American consumers, one of the biggest exemptions to the FDCPA are debt collectors hired by state or federal government entities. The Stop Debt Collection Abuse Act of 2019 would help close that loophole by requiring federal agencies to be subject to the same high standards of the FDCPA, among other changes to existing federal law.

Specifically, the Stop Debt Collection Abuse Act of 2019 would:

- Amend the FDCPA to make clear that protections from overly aggressive debt collection practices also apply to debt collection agents hired by the federal government
- Amend the FDCPA to make clear that overpayment, fines, penalties, and fees owed by private individuals to federal government entities should be considered “consumer debts” that fall under the FDCPA’s protections
- Prevent private debt collectors from charging exorbitant and unfair fees
- Ensure that fees from debt collectors working on behalf of the federal government cannot be greater than 10% of the amount collected and must be reasonable
- Confirm that debt buyers are debt collectors for the purposes of the FDCPA

- Set forth requirements that prevent debt collectors from taking aggressive action unnecessarily quickly after a debt has allegedly gone unpaid

- Require the Government Accountability Office (GAO) to conduct a study into the use of third party debt collectors by state and local government

You can find the official bill text [here](#).

Emanuel Cleaver, II is the U.S. Representative for Missouri's Fifth Congressional District, which includes Kansas City, Independence, Lee's Summit, Raytown, Grandview, Sugar Creek, Blue Springs, Grain Valley, Oak Grove, North Kansas City, Gladstone, Claycomo, and all of Ray, Lafayette, and Saline Counties. He is a member of the exclusive House Financial Services Committee; Chairman of the House Subcommittee on National Security, International Development, and Monetary Policy; member of the Select Committee on the Modernization of Congress; member of the Committee on Homeland Security; and a Senior Whip of the Democratic Caucus. For more information, please contact Matthew Helfant at 202-225-4535 or Matthew.Helfant@mail.house.gov A high-resolution photo of Congressman Cleaver is available [here](#).