

CFPB's clear rules of the road for debt collector communications lead to stronger consumer rights

By [Kathleen L. Kraninger](#) – OCT 30, 2020

1977. Bell-bottoms were popular fashion, Elvis passed away, the very first Star Wars movie was released, Jimmy Carter became president, and Steve Jobs introduced the world to the idea of the personal computer with the launch of the Apple II. We can all agree that a lot has changed since then. Advances in technology in particular have transformed how we communicate, with cell phones enabling us to take a call or receive a text 24 hours a day in our neighborhood or on the other side of the globe. But debt collectors and consumers have been trapped in a time warp. They have been required to communicate with each other under standards Congress enacted in 1977. Until now. Today, the Consumer Financial Protection Bureau is issuing a final rule that provides clear consumer rights and limitations for debt collectors on using modern technologies to communicate with each other.

Debt collection is a multi-billion dollar industry with more than 8,000 debt collection firms in the United States. The 1977 Fair Debt Collection Practices Act prohibits harassing and abusive and unfair debt collection practices as well as false and misleading representations by debt collectors. Our rule applies these protections to modern technologies. The rule clarifies how debt collectors can use email, text messages, social media, and other contemporary methods to communicate with consumers. And our rule will allow consumers, if they prefer, to limit the ability of debt collectors to communicate with them through these newer communication methods.

Unfortunately, many Americans fall behind on their bills for many reasons. An unexpected emergency room visit might leave a consumer without enough funds to pay their credit card bill, which can become a debt a creditor places with a debt collector. No matter the reason a consumer has a debt in collection, we want to make sure there are clear rules of the road for debt collectors to follow the law and alongside that, swift action against those who flout the law. We also want consumers to understand and exercise their legal rights. That is why our rule establishes a presumption on the number of calls debt collectors may place to reach consumers on a weekly basis. Debt collectors will be presumed to violate federal law if the debt collector places telephone calls to a particular person in connection with the collection of a particular debt more than seven times within seven consecutive days or within seven consecutive days of having had a telephone conversation with that person about the debt.

Our rule also gives consumers the option to unsubscribe from receiving text messages and emails from debt collectors or otherwise limit ways debt collectors contact them. It also clarifies the use of voicemails and other messages left by debt collectors.

One of my priorities as Director is to ensure that the Bureau prevents consumer harm by using all of the tools given to us by Congress. The Bureau was granted the authority to write rules on debt collection practices and the changes will provide better protection for consumers, clearer operating procedures for debt collectors intent on following the law, and easier identification of the bad actors we will take action against.

We are finally leaving 1977 behind and developing a debt collection system that works for consumers and industry in the modern world