

BASIC RULES GOVERNING DEBT COLLECTORS

by the Editors of Nolo Press

The law prohibits creditors from using abusive or deceptive tactics to collect a debt. The law, however, also grants powerful collection tools to creditors once they have won a lawsuit over the debt. Here are six frequently asked questions and answers about debt collectors. NOTE: the law may change. The following is only a guideline. Check with an attorney in your state to determine your rights.

1. [Collection agencies have been calling me all hours of the day and night. How can I get them to stop contacting me?](#)
2. [I'm also getting calls and letters from the collections department of a local merchant I did business with. Can I tell that collector to stop contacting me?](#)
3. [I just got a form collection letter with a lawyer's mechanically reproduced signature on it. Is this a legitimate collection technique?](#)
4. [A bill collector insisted that I wire the money I owe through Western Union. Am I required to do so?](#)
5. [I've moved a lot and recently heard from a collector on a bill that's almost three years old. How did the collector find me?](#)
6. [Can a collection agency add interest to my debt?](#)

Other Links:

- 🔍 [Facts for Consumer - Federal Trade Commission \(very easy to read list of questions and answers\)](#) (such as: how can you be contacted, can they contact someone else, what is harassment, what is prohibited, how can you tell if they violated the law and where can you report violations?)
 - 🔍 [Fair Debt Collection Practices Act](#)
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1. [Collection agencies have been calling me all hours of the day and night. How can I get them to stop contacting me?](#)

It's against the law for a bill collector who works for a collection agency (as opposed to working in the collections department of the creditor itself) to call you before 8 am or after 9 pm. The law, the Fair Debt Collection Practices Act (FDCPA), also bars collectors from calling you at work, harassing you, using abusive language, making false or misleading statements, adding unauthorized charges and many other practices. Under the FDCPA, you have the right to demand that the collection agency stop contacting you, except to tell you that collection efforts have ended or that the creditor or collection agency will sue you. You must put your request in writing.

2. [I'm also getting calls and letters from the collections department of a local merchant I did business with. Can I tell that collector to stop contacting me?](#)

No, the FDCPA (Fair Debt Collection Practices Act) applies only to bill collectors who work for collection agencies. Several states, including California, Florida, Louisiana, Maryland, Massachusetts, Michigan, Oregon, Texas and Wisconsin, have laws which bar all debt collectors--both working for a collection agency and working for the creditor itself--from harassing, abusing or threatening you or making any false or misleading statement. These state laws, however, don't give you the right to demand that the collector stop contacting you. There is one exception: Residents of New York City can use a local consumer protection law (Rules of the City of New York sec. 5-77(b)(4)) to write any bill collector and say "Stop!"

3. [I just got a form collection letter with a lawyer's mechanically reproduced signature on it. Is this a legitimate collection technique?](#)

Perhaps not. Under the FDCPA (Fair Debt Collection Practices Act), a lawyer must review each individual collection case before putting his or her name on a collection letter. The lawyer can't simply authorize that a

form letter be sent and then let the bill collector send it, with the lawyer's signature, if the lawyer hasn't reviewed the particular debtor's file. To put a stop to it, you may be able to sue the lawyer for up to \$1,000 in small claims court for violating the FDCPA.

4. A bill collector insisted that I wire the money I owe through Western Union. Am I required to do so?

No, and it could add a lot to your debt if you did. Many collectors, especially when a debt is more than 90-days past due, will suggest several "urgency payment" options, including:

- * Sending money by express or overnight mail--this will add at least \$10 to your bill; a first class stamp is fine.

- * Wiring money through Western Union's Quick Collect or American Express' Moneygram. Another \$10 waste.

- * Putting your payment on a credit card not at its maximum. You'll never get out of debt if you do this.

5. I've moved a lot and recently heard from a collector on a bill that's almost three years old. How did the collector find me?

In this technological age, it's easy to run but harder to hide. Collectors use the following primary resources to find debtors:

- * relatives, friends, neighbors and employers--collectors pose as long-lost friends to get these people to reveal your new whereabouts

- * post office change of address forms

- * state motor vehicle registration information

- * voter registration records

- * a former landlord

- * banks

6. Can a collection agency add interest to my debt?

Not unless it was called for in your original agreement or allowed under your state's law. Many states do authorize the collection of such interest. In California, for example, collection agencies can add interest because the Civil Code (sec. 3289(b)) permits a creditor to charge interest after default, even if the contract is silent.

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