

CONSUMER ADVISORY

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Debt Collections & Debt Collection Scams

A debt collector is someone who regularly collects or attempts to collect consumer debts owed to others. If you're in debt, federal and state laws provide you with some protections in how creditors or debt collection companies can collect on what you owe. In some cases, though, the collection attempt may be nothing more than a scam.

Laws Limit Initial Contacts by Debt Collectors

A debt collector may contact you or your family in person, by mail, email, telephone, fax or telegram. However, a debt collector may not contact you at unreasonable times or places, such as before 8 a.m. or after 9 p.m. (unless you agree to it), and cannot contact you with such frequency that it could reasonably be considered harassing. A debt collector may contact people other than you or your attorney to find out where you live or work, but may not tell others that you owe money. A debt collector may not contact you at work if he or she knows your employer does not approve. And a debt collector may not visit your home at times other than your normal waking hours. He or she may not visit you more than once in any 30-day period for each debt (unless you agree to further visits).

Follow-Up Contact by Debt Collectors

A debt collector is required to send you a written notice within five days of first contacting you. The notice must include the amount you owe, the name of the creditor to whom you owe money, and your options if you dispute the debt.

Your Rights

You may stop a debt collector from continuing to contact you by writing a letter to the collector telling him or her to stop. Once the debt collector receives the written notice, he or she may not contact you again except to confirm that they will not contact you again or to inform you that they will take some sort of specific action. If you orally request a debt collector to stop calling you at work, he or she must do so for ten days. You must follow up with a written request, which is valid until you state otherwise in writing.

A debt collector must identify himself or herself and identify the name of the creditor. He or she may not harass you, including using abusive, profane or obscene language. The debt collector may not make false or deceptive statements when attempting to collect a debt, such as falsely claiming that you will be subject to arrest, that you have committed a crime. The debt collector may not falsely claim that he or she is an attorney or falsely threaten to take legal action that the creditor does not reasonably intend to take.

Debt Collection Scams

Some criminals will pose as debt collectors. They'll claim that you owe money tied to a loan or debt and that you must pay immediately. These types of criminals are aggressive, convincing and threatening. It's possible they accessed some information about you or a debt you may really owe, or may make up the scenario entirely.

These cases almost always involve claims that you must pay now or face serious consequences. They may convince you that you are about to face a lawsuit, or may even face arrest if you don't pay immediately. They will most often insist on payment by credit card, debit card, pre-paid money cards or a money wire transfer.

If You Suspect a Scam

If you suspect that it's a scam, simply don't talk to the caller and hang up. If you're not sure whether it's legitimate, ask the caller for his or her name, address and phone number, who he or she represents, the creditor and details about the debt. If the caller refuses to provide it or claims he or she can't provide it, then the debt collector isn't legitimate. You should insist that the person calling provide you with written information about the claimed debt through the U.S. Mail—not email—which is your legal right. Do not provide or confirm personal or financial information to someone who calls you, as the call may be an identity theft attempt.