
FAIR DEBT COLLECTION PRACTICES ACT (FDCPA)

REVIEW CONSIDERATIONS

Review Considerations

Review Area	Requirements / Recommendations
General Coverage	<p>Determine whether the credit union has acted as a debt collector as defined in 15 U.S.C. Section 1692a; if so, does it avoid the practices prohibited under the FDCPA?</p> <p>Debt collector – any person who regularly collects, or attempts to collect, consumer debts for another person or institution or uses a name other than its own when collecting its consumer debts.</p> <p>Note: If a credit union merely collects its own debts, in its own name, compliance with the FDCPA is not required. However, it is recommended the credit union avoid those practices prohibited under the FDCPA.</p>
Prohibited Practices	<p>Do not engage in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of debt.</p> <p>Do not use any false, deceptive, or misleading representation or means in connection with the collection of any debt.</p> <p>Do not use unfair or unconscionable means to collect or attempt to collect any debt.</p>
Validation of Debts	Send the consumer a written notice within five days after initial communication unless certain information is contained in the initial communication or the consumer has paid the debt.
Multiple Debts	Apply payments according to the consumer's directions if a consumer owes multiple debts and makes any single payment to a debt collector. No payment may be applied to a disputed amount.

Furnishing Certain Deceptive Forms	Do not design, compile, and furnish any form knowing that it would be used to create the <u>false</u> belief in a consumer that a person other than the consumer's creditor is participating in the collection of, or in an attempt to correct, a debt such consumer allegedly owes such creditor.
Training	Ensure training is provided to employees whose duties are impacted by FDCPA.