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# FAIR DEBT COLLECTION PRACTICES ACT (FDCPA)

## DEFINITIONS

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### **Definitions (Section 1692a)**

As used in this subchapter of the FDCPA.

#### **Commission**

The Federal Trade Commission.

#### **Communication**

The conveying of information regarding a debt directly or indirectly to any person through any medium.

#### **Consumer**

Any natural person obligated or allegedly obligated to pay any debt.

#### **Creditor**

Any person who offers or extends credit creating a debt or to whom a debt is owed, but not including any person to the extent that he receives an assignment or transfer of a debt in default solely for the purpose of facilitating collection of such debt for another.

#### **Debt**

Any obligation or alleged obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment.

#### **Debt collector**

Any person who uses any instrumentality of inter state commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another. Notwithstanding the exclusion provided by clause (F) of the last sentence of this paragraph, the term includes any creditor who, in the process of collecting his own debts, uses any name other than his own which would indicate that a third person is collecting or attempting to collect such debts. For the purpose of 15 U.S.C section 1692f(6), such term also includes any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of security interests. The term does not include—

(A) any officer or employee of a creditor while, in the name of the creditor, collecting debts for such creditor;

(B) any person while acting as a debt collector for another person, both of whom are related by common ownership or affiliated by corporate control, if the person acting as a debt collector does so only -for persons to whom it is so related or affiliated and if the principal business of such person is not the collection of debts;

(C) any officer or employee of the United States or any State to the extent that collecting or attempting to collect any debt is in the performance of his official duties;

(D) any person while serving or attempting to serve legal process on any other person in connection with the judicial enforcement of any debt;

(E) any nonprofit organization which, at the request of consumers, performs bona fide consumer credit counseling and assists consumers in the liquidation of their debts by receiving payments from such consumers and distributing such amounts to creditors; and

(F) any person collecting or attempting to collect any debt owed or due or asserted to be owed or due another to the extent such activity

(i) is incidental to a bona fide fiduciary obligation or a bona fide escrow arrangement;

(ii), concerns a debt which was originated by such person;

(iii) concerns a debt which was not in default at the time it was obtained by such person; or

(iv) concerns a debt obtained by such person as a secured party in a commercial credit transaction involving the creditor.

### **Late Charges**

An amount charged to the consumer when payment has not been received when contractually due or in default. A federal credit union (FCU) may not assess late charges when a loan is current on principal and interest due but is in arrears on previous late charges. 12 C.F.R. §706.4(a). NCUA's regulation requires FCUs apply any payment first to principal and interest due and then to any outstanding late charges. If a particular payment is timely and sufficient to bring the account current on both principal and interest due, the FCU may not assess additional late charges in connection with that payment even if previous late charges remain unpaid. Only if a timely payment is insufficient to satisfy outstanding principal and interest obligations may the FCU assess an additional late charge.

### **Location information**

A consumer's place of abode and his telephone number at such place, or his place of employment.

### **State**

Any State, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision of any of these.