

The Attorney General Can Stop Abusive Debt Collection



By Greg Abbott
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workplace.

Recently, we received one from a citizen of Dallas. She had been in debt to a company, and the case was referred to a collection agency. She made arrangements to pay off the debt and had completed her obligation. A few weeks after she sent in her final payment, the woman started receiving calls from the collection agency about the same debt. She tried to explain that she no longer owed money to her original debtor, but the calls continued. She even came close to losing her job when the collection agency started phoning her at work.

Creditors have the right to collect debts. It is reasonable to think that persistence and tenacity must be used at times in the collection process. However, the Texas Debt Collection Act prohibits unfair, harassing or abusive collection tactics. Violators of the Act face civil and criminal penalties.

If you want to dispute a debt that has been referred for collection, notify the debt collector in writing. After receiving your letter, the debt collector has 30 days to

The Attorney General's Consumer Protection Division receives hundreds of complaints against debt collectors each year. The complaints range from abusive language to harassment in the

determine if the disputed item is correct. Incorrect items must be corrected, and the collector must notify anyone who has already received a report containing the disputed item. If, at the end of 30 days, the debt collector is unable to determine the item's accuracy, he or she must still make the change you request and notify anyone who received a report containing the disputed item. If it is later determined that the item was correct, you will be notified and collection efforts may resume.

If you feel you have been harassed or deceived by a collection agency, you can file a complaint in the Consumer Protection Section of our Web site at www.oag.state.tx.us or by calling (800) 621-0508. You can also review the OAG's information on debt collection in the Consumer Protection Section.

Consumers are also protected by the federal Fair Debt Collection Practices Act (FDCPA), which applies solely to collectors working for professional debt collection agencies and attorneys hired to collect debts. The federal law is similar to its Texas counterpart, but also prohibits calls to the workplace if the collector has reason to believe that the employer does not allow such calls.

Calls before 8:00 a.m. and after 9:00 p.m. are also prohibited under the FDCPA, unless the collector has information that such times are more convenient for the debtor. You can find more information about the FDCPA and file a complaint on the Federal Trade Commission's Web site at www.ftc.gov.

The non-profit Consumer Credit Counseling Service (CCCS) provides debt counseling to families and individuals. If you need assistance, you can reach the CCCS at (800) 388-2227.

If a collection agency contacts you about a debt that is not yours, you may be the victim of identity theft. Promptly review your credit file with all three of the major credit reporting bureaus.

POINTS TO REMEMBER

DEBT COLLECTION

It is illegal for a debt collector to:

- threaten violence;
- use profane or obscene language;
- falsely accuse you of fraud or other crimes;
- threaten the consumer with arrest;
- repossess or seize property without appropriate court proceedings;
- harass debtors by calling anonymously or making repeated or continuous calls; or
- make collect calls without disclosing the name of the caller before the charges are accepted.

Debt collection agencies may not:

- use a false name for identification;
- misrepresent the amount of the debt;
- send documents that appear to be from a court;
- fail to identify the person or company that holds the debt; or
- misrepresent the nature of the services rendered by the collection agency or the collector.



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Information on this and other topics is available on the Attorney General's Web site at www.oag.state.tx.us.