

FEDERAL TRADE COMMISSION
ANNUAL REPORT 2007:
FAIR DEBT COLLECTION
PRACTICES ACT



INTRODUCTION

The Federal Trade Commission (“Commission”) is pleased to submit to Congress this annual report summarizing the administrative and enforcement actions it has taken under the Fair Debt Collection Practices Act (“FDCPA” or “Act”), 15 U.S.C. §§ 1692-1692o, during the past year.¹ These actions are part of the Commission’s ongoing effort to curtail deceptive, unfair, and abusive debt collection practices in the marketplace. Such practices cause substantial consumer injury, including payment of amounts not owed, unintended waivers of rights, invasions of privacy, and emotional distress. In some circumstances, illegal collection practices can place consumers deeper in debt. Although the Commission is vested with primary enforcement responsibility under the FDCPA, it shares overall enforcement responsibility with other federal agencies.² In addition, consumers who believe they have been victims of statutory violations may seek relief in state or federal court.

The FDCPA prohibits deceptive, unfair, and abusive practices by third-party collectors. For the most part, creditors are exempt when they are collecting their own debts. The FDCPA permits reasonable collection efforts that promote repayment of legitimate debts, and the Commission’s goal is to ensure compliance with the Act without unreasonably impeding the collection process. The Commission recognizes that the timely payment of debts is important to creditors and that the debt collection industry offers useful assistance toward that end. The Commission also appreciates the need to protect consumers from those debt collectors who engage in abusive and unfair collection practices. Many members of the debt collection industry supported the legislation that became the FDCPA, and persistently advocate for industry-wide compliance with the standards the Act imposes. The Commission staff continues to work with industry groups to clarify ambiguities in the law and to educate the industry and the public about the Act’s requirements.

¹ Section 815 of the FDCPA, 15 U.S.C. § 1692m, provides for the Commission to report to Congress annually concerning the administration of its functions under the Act.

² Section 814 of the FDCPA, 15 U.S.C. § 1692l, places enforcement obligations upon seven other federal agencies for those organizations whose activities lie within their jurisdiction. These agencies are the Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, the Department of Transportation, and the Department of Agriculture. Almost all of the organizations these agencies regulate are creditors and, as such, largely fall outside the Act’s coverage. When these agencies receive complaints about debt collection firms that are not under their jurisdiction, they generally forward the complaints to the Commission.

As in past years, the Commission took significant steps in 2006 to curtail illegal debt collection practices. This report presents an overview of the types of consumer complaints the Commission received in 2006, a summary of the Commission's debt collection enforcement actions that have become public since last year's report, and a summary of the Commission's 2006 consumer and industry education initiatives.

The debt collection industry has grown and changed significantly since the FDCPA was enacted 30 years ago. The Commission staff will hold a workshop in the fall of 2007 to examine the industry and a number of current issues. The staff will invite consumer advocates, industry representatives, state and federal regulators, and market authorities to provide information and their views on the collection industry and related policy issues. The Commission will evaluate the information submitted at the workshop to determine whether to recommend any legislative changes to Congress.

CONSUMER COMPLAINTS THE COMMISSION RECEIVED

The Commission receives most of its information about how debt collectors are complying with the Act directly from consumers through complaints that consumers file with the Commission.³ Last year, consumer complaints to the Commission about third-party debt collectors ("FDCPA complaints") increased both in absolute terms and as a percentage of all complaints that consumers filed with the Commission during the course of the year.⁴ The FTC received 69,204 FDCPA complaints in 2006, more complaints

³ Consumers file complaints with the Commission via our toll-free hotline (1-877-FTC-HELP), online complaint forms, or physical mail. State attorneys general and other sources also refer complaints to the Commission and, occasionally, the Commission hears from debt collectors who are concerned that competitors' allegedly violative practices may cause them to lose business. When this report refers to "complaints," the term refers solely to complaints that consumers have filed directly with the Commission.

⁴ Hundreds of thousands of consumers contact the Commission every year, reflecting, in part, the Commission's ongoing consumer outreach and education initiatives, and its efforts to promote the FTC website and toll-free consumer complaint number. Last year, the Commission received 348,157 complaints directly from consumers about all industries, nearly identical to the 348,567 complaints received in 2005. These numbers do not include complaints about identity theft or violations of the Commission's Do Not Call Registry. The number of FDCPA complaints we received increased to 69,204 in 2006, from 66,672 in 2005, a 3.8% increase. Because absolute numbers of complaints fluctuate from year to year, this report analyzes collection industry trends by comparing the number of complaints that the Commission's Consumer Response Center has coded under each of 15 debt collection "violation codes" to the

than the FTC received against any other specific industry.⁵ The FDCPA complaints represented 19.9% of all complaints the Commission received in 2006. By comparison, in 2005,⁶ the FTC received 66,672 FDCPA complaints, representing 19.1% of all complaints received that year.⁷

The Commission recognizes that third-party collectors contact millions of consumers each year and, thus, the number of consumer complaints the Commission receives about such collectors is but a small percentage of the overall number of consumer contacts. At the same time, the Commission believes that the number of consumers who complain to the agency represents a relatively small percentage of the

number of all FDCPA complaints the Commission has received. Each violation code corresponds to a specific collection practice prohibited by the FDCPA. We believe that the percentage figures this analysis produces portray industry trends more accurately than would reliance on absolute numbers of complaints. Note that because consumers frequently complain about more than one collection practice, many complaints are coded with multiple violation codes. Thus, the percentage figures for the 15 violation codes total more than 100% of FDCPA complaints.

⁵ These figures include only complaints in which the consumers identified the entity as a debt collector, and do not include identity theft complaints (which are submitted online at www.ftc.gov or through the Commission's toll-free identity theft hotline – 1-877-ID-THEFT) or Do Not Call Registry complaints (which are submitted online at www.donotcall.gov or through the Commission's toll-free Do Not Call hotline – 1-888-382-1222). Based on the staff's investigational experiences, some identity theft and Do Not Call Registry complaints arise out of deceptive, unfair, or abusive debt collection practices. To that extent, the FDCPA complaint data may underreport possible deceptive, unfair, or abusive debt collection practices.

⁶ The 2005 complaint numbers identified in this year's report differ slightly from those identified in last year's report because, in connection with a continuous quality assurance review, the Commission staff re-coded some complaints after the Commission issued the 2006 report.

⁷ The number of complaints the Commission received about creditors' in-house collectors decreased somewhat, both in absolute terms and as a percentage of total complaints. In 2006, we received 21,425 complaints about in-house collectors, representing 6.2% of all complaints the Commission received. In 2005, we received 23,633 complaints about in-house collectors, representing 6.8% of all complaints received. Combined, complaints about third-party debt collectors and in-house collectors in 2006 totaled 90,629 complaints and represented 26% of all complaints the Commission received in 2006, virtually identical to the figures from 2005: 90,232 complaints, representing 25.9% of all complaints to the Commission.

total number of consumers who actually encounter problems with debt collectors.⁸

The Commission does not verify the consumer complaints it receives, but uses them for various purposes, such as determining whether a collector's alleged improper conduct warrants further investigation and possible enforcement action. We recognize, however, that not all consumers who complain to the Commission about collection problems have experienced law violations. In some cases, for example, consumers complain that a debt collector will not accept partial payments on the same installment terms that the original lender provided when the account was current. Although a collector's demand for accelerated payment or larger installments may, in these circumstances, be frustrating to the consumer, such a demand is not a violation of the Act. Many consumers, however, complain of conduct that, if accurately described, clearly violates the Act.⁹ Some of the allegations that we hear most frequently are the following:

DEMANDING A LARGER PAYMENT THAN IS PERMITTED BY LAW: The FDCPA prohibits debt collectors from misrepresenting the character, amount, or legal status of a debt.¹⁰ In 2006, far more FDCPA complaints – 40.3%, representing 27,929 consumers – were assigned this violation code than any other. In 2005, 42.7% of FDCPA complaints were assigned this code. The types of complaints that fall in this category include, for example, allegations that a collector is attempting to collect either a debt the consumer does not owe at all or a debt larger than what the consumer actually owes. Other complaints in this category allege demands for debts that have been discharged in bankruptcy.

The FDCPA also prohibits debt collectors from collecting any amount unless it is “expressly authorized by the agreement creating the debt or permitted by law.”¹¹ In 2006,

⁸ We cannot determine the extent to which the complaints the Commission receives represent illegal practices by debt collectors in general. Based on our enforcement experience, we know that many consumers never file a complaint with any organization other than the debt collector itself. Others complain only to the underlying creditor or to other enforcement agencies, rather than to the Commission. Some consumers may not even be aware that the Commission enforces the FDCPA or that the conduct they have experienced violates the Act.

⁹ Much of the conduct, as alleged, also would violate Section 5 of the FTC Act as an unfair or deceptive practice in or affecting commerce.

¹⁰ Section 807(2), 15 U.S.C. § 1692e(2).

¹¹ Section 808(1), 15 U.S.C. § 1692f(1).

3.4% of the FDCPA complaints, or 2,387 consumers, alleged that collectors demanded interest, fees, or expenses, separate from the principal, that were not owed, such as collection fees, late fees, and court costs.

HARASSING THE ALLEGED DEBTOR OR OTHERS: In 2006, 21.2% of FDCPA complaints the Commission received, or 14,656 consumers, alleged that collectors harassed them by calling repeatedly or continuously. Another 11.5% of FDCPA complaints, or 7,967 consumers, alleged that collectors used obscene, profane or otherwise abusive language. In addition, 2.3% of complaints, or 1,620 consumers, alleged that collectors called them before 8:00 a.m., after 9:00 p.m., or at other times that the collectors knew or should have known were inconvenient to the consumer, while 0.3% of complaints, or 179 consumers, alleged that collectors used or threatened to use violence if consumers failed to pay. As percentages of total FDCPA complaints, the complaint levels for each of these types of harassment or abuse declined slightly from their 2005 levels.

THREATENING DIRE CONSEQUENCES IF CONSUMER FAILS TO PAY: Another source of complaints involves the use of false or misleading threats of what might happen if a debt is not paid. These include threats to initiate civil suit or criminal prosecution, garnish salaries, seize property, cause job loss, have a consumer jailed, or damage or ruin a consumer's credit rating. Such threats violate the Act unless the collector has the legal authority and the intent to take the threatened action.¹² In 2006, 8.4% of FDCPA complaints, or 5,842 consumers, alleged that third-party collectors falsely threatened a lawsuit or some other action that they could not or did not intend to take, down somewhat from the 9.6% of complaints that alleged the same violation in 2005. In addition, 3% of FDCPA complaints, or 2,071 consumers, alleged that such collectors falsely threatened arrest or seizure of property, down slightly from 3.3% in 2005.

IMPERMISSIBLE CALLS TO CONSUMER'S PLACE OF EMPLOYMENT: A debt collector may not contact a consumer at work if the collector knows or has reason to know that the consumer's employer prohibits the consumer from receiving such contacts.¹³ In 2006, 5.8% of FDCPA complaints, or 4,037 consumers, were assigned this violation code, down slightly from 6.3% of FDCPA complaints in 2005. By continuing to contact consumers at work under these circumstances, debt collectors may put the consumers in jeopardy of losing their jobs.

¹² Sections 807(4)-(5), 15 U.S.C. §§ 1692e(4)-(5).

¹³ Section 805(a)(3), 15 U.S.C. § 1692c(a)(3).

REVEALING ALLEGED DEBT TO THIRD PARTIES: Third-party contacts for any purpose other than obtaining information about the consumer's location violate the Act, unless the consumer authorizes the third-party contacts or the contacts fall within one of the Act's exceptions. Even collectors calling to obtain location information are prohibited from revealing that a consumer allegedly owes a debt.¹⁴ In 2006, 4.3% of FDCPA complaints, or 2,967 consumers, alleged that a third-party collector illegally disclosed a purported debt to a third party, down slightly from 4.5% in 2005. Consumers alleged that third-party collectors contacted their employers, relatives, children, neighbors, and friends, and informed them about their debts. Another 12% of consumers, or 8,310, alleged that collectors called a third party repeatedly to obtain location information about the consumer, up somewhat from 11% in 2005.¹⁵ Third-party contacts typically embarrass or intimidate the consumer who allegedly owes the debt and are a continuing aggravation to the third parties. Contacts with consumers' employers and co-workers about consumers' alleged debts also jeopardize continued employment or prospects for promotion. Relationships between consumers and their families, friends, or neighbors also may suffer from improper third-party contacts. In some cases, collectors reportedly have used misrepresentations as well as harassing and abusive tactics in their communications with third parties, or even attempted to collect from the third party.

FAILING TO SEND REQUIRED CONSUMER NOTICE: The FDCPA requires that debt collectors send consumers a written notice that includes, among other things, the amount of the debt, the name of the creditor to whom the debt is owed, and a statement that, if within thirty days of receiving the notice the consumer disputes the debt in writing, the collector will obtain verification of the debt and mail it to the consumer.¹⁶ Many consumers who do not receive the notice are unaware that they must send their dispute in writing if they wish to obtain verification of the debt. Last year, 3.9% of the FDCPA complaints to the Commission, or 2,706 consumers, alleged that collectors did not provide the required notice, down somewhat from 4.7% in 2005.

FAILING TO VERIFY DISPUTED DEBTS: The FDCPA also provides that, if a consumer submits a dispute in writing, the collector must cease collection efforts until it has

¹⁴ Section 804(2), 15 U.S.C. § 1692b(2).

¹⁵ Section 804(3) prohibits a debt collector contacting a third party for location information from communicating with the person more than once, unless the person requests it or the collector reasonably believes the person's earlier response was erroneous or incomplete and that the person now has correct or complete location information.

¹⁶ Section 809(a), 15 U.S.C. § 1692g(a).

provided written verification of the debt.¹⁷ Last year, 2.5% of all FDCPA complaints, or 1,752 consumers, alleged that collectors failed to verify debts that the consumers allegedly owed, the same percentage as in 2005. Many consumers told us that collectors ignored their written disputes, sent no verification, and continued their collection efforts. Other consumers told us that some collectors who did provide them with verification continued to contact them about the debts between the date the consumers submitted their dispute and the date the collectors provided the verification, a practice that also violates the FDCPA.

CONTINUING TO CONTACT CONSUMER AFTER RECEIVING “CEASE COMMUNICATION” NOTICE: The FDCPA requires debt collectors to cease all communications with a consumer about an alleged debt if the consumer communicates in writing that he wants all such communications to stop or that he refuses to pay the alleged debt.¹⁸ This “cease communication” notice does not prevent collectors or creditors from filing suit against the consumer, but it does stop collectors from calling the consumer or sending dunning notices. In 2006, 2.9% of FDCPA complaints, or 2,032 consumers, alleged that collectors ignored consumers’ “cease communication” notices and continued their aggressive collection attempts, down slightly from 3.1% in 2005.

COMPLAINTS ABOUT CREDITORS’ IN-HOUSE COLLECTORS: The Commission also received 21,425 complaints in 2006 about creditors that were collecting their own debts, compared with 23,633 complaints received in 2005.¹⁹ Because creditors are not generally covered by the FDCPA, some in-house collectors use no-holds-barred collection tactics in their dealings with consumers. Although creditors’ unfair or deceptive practices are not covered by the FDCPA, they are prohibited under Section 5 of the FTC Act. Accordingly, the FTC has sued creditors and other entities engaging in illegal collection practices under Section 5,²⁰ and will continue to do so in the future as appropriate cases present themselves.

¹⁷ Section 809(b), 15 U.S.C. § 1692g(b).

¹⁸ Section 805(c), 15 U.S.C. § 1692c(c).

¹⁹ See *supra* note 6 for additional details.

²⁰ See, e.g., *Applied Card Systems, Inc.*, 2004 FTC LEXIS 195, No. C-4125 (2004); *FTC v. Associates First Capital Corp.*, No. 1:01-CV-00606 (N.D. Ga. 2002); *Federated Department Stores*, 128 F.T.C. 284 (1999); *May Department Stores Co.*, 127 F.T.C. 41 (1999).

ENFORCEMENT:

THE FIRST PRONG OF THE FDCPA PROGRAM

The first prong of the Commission's FDCPA program is vigorous law enforcement.²¹ The Commission's FDCPA enforcement actions begin with investigations of debt collectors identified through complaints and other sources. If an investigation reveals FDCPA violations, the Commission proceeds in one of two ways. Through its own attorneys, the Commission can file suit in federal court seeking preliminary and permanent injunctive relief, restitution for consumers, disgorgement of ill-gotten gains, and other ancillary relief under Section 13(b) of the FTC Act.²² Alternatively, the Commission may request that the Department of Justice file suit in federal court on behalf of the Commission, seeking a civil penalty, monetary relief, and injunctive relief that would prohibit the collector from continuing to violate the Act.

The Commission staff currently is conducting a number of non-public investigations of debt collectors to determine whether they have engaged in violations of the Act. In addition, as discussed below, in the past year the Commission filed suit against one debt collector and reached settlements in its cases against two others.

In February 2007, the Commission charged a collection agency, *Rawlins & Rivera, Inc.*, and its principals with violating the FDCPA and the Federal Trade Commission Act by falsely threatening and illegally harassing consumers. The Commission also alleged the defendants had improper communications with third parties about consumers' debts, used obscene and profane language in calls, and continued collection activities after receiving timely dispute letters from consumers. The Commission is seeking an end to the illegal practices and a freeze of the defendants' assets.

²¹ The Commission's FDCPA program is overseen by the agency's Division of Financial Practices, which in early 2006 was reorganized to refocus the Commission's work in the area of core financial services, such as lending and debt collection. The Division is assisted by the Commission's eight regional offices.

²² Section 13(b), 15 U.S.C. § 53(b), authorizes the Commission to sue in federal district court to obtain a preliminary injunction against entities that the Commission has reason to believe are violating any law enforced by the Commission. The court may grant the preliminary injunction or a temporary restraining order if the Commission shows that, weighing the equities and considering the Commission's likelihood of ultimate success, the action would be in the public interest. Section 13(b) also permits federal district courts to issue a permanent injunction if the Commission seeks that remedy. Section 13(b)(2), 15 U.S.C. § 53(b)(2).

In June 2006, a collection agency that allegedly used lies and threats to collect debts agreed to a \$150,000 judgment and to refrain from making misrepresentations in violation of the FTC Act and from violating the FDCPA in the future. The Commission's complaint alleged that **Whitewing Financial Group, Inc.**, bought and attempted to collect on very old debts, many of which were time-barred, *i.e.*, beyond applicable state statutes of limitations. Many of the accounts also were too old to appear on credit reports; others had been discharged in bankruptcy. As required by law, Whitewing sent "validation notices" informing consumers of their right to dispute the alleged debts, but its statements in phone calls allegedly often contradicted those notices. The statements pressured consumers to make payments before they had received the validation notice, and confused them about their rights, including who had the burden of establishing the validity of the debt. In addition to settling the Commission's case against the corporation, the agreement also concluded the Commission's action against corporate president Christopher B. Badger, corporate secretary/treasurer Lynda J. Badger, and general manager Jon P. Badger, all of whom the Commission named as individual defendants. The Commission's complaint alleged that the defendants often misrepresented the status of the debts, leading people to believe that legal proceedings had begun, that lawsuits to collect time-barred debts were not truly time-barred, or that the defendants had documents showing that the debts were valid when, in fact, they did not. All but \$30,000 of the judgment was suspended, based on the defendants' inability to pay.

In November 2006, the Commission reached a settlement with another "debt buyer," **Capital Acquisition & Management Company** (CAMCO), and its creditors that created a \$1 million redress fund for injured consumers. The agreement followed settlements the Commission reached earlier in 2006 with eight individual defendants, including five principals and three senior managers of the now-defunct debt collection firm. A ninth senior manager settled with the Commission in January 2007. The settlements brought to an end an action that the Commission filed in an Illinois district court in December 2004, alleging that the defendants violated the FDCPA and engaged in deceptive practices in violation of the FTC Act while attempting to collect debts, most of which were time-barred and/or too old to appear on credit reports. The district court entered a temporary restraining order that prohibited CAMCO from engaging in FDCPA violations and making false claims, froze the assets of the corporation and key individual defendants, and created a receivership to manage the corporate affairs. With the court's approval, the receiver began almost immediately to liquidate the assets of the corporation. In January 2005, the court entered a stipulated preliminary injunction that continued the injunctive provisions put in place by the temporary restraining order and continued the asset freeze as to certain individuals. After extended litigation in district court and bankruptcy court involving the receiver, the Commission, a creditor who alleged a security interest in all of CAMCO's assets, and other creditors, the district court approved a distribution of the receivership funds in November 2006.

CONSUMER AND INDUSTRY EDUCATION: THE SECOND PRONG OF THE FDCPA PROGRAM

The Commission's consumer and industry education initiatives form the second prong of the FDCPA program. The consumer education initiative informs consumers nationwide of their rights under the FDCPA and the requirements that the Act places on debt collectors. With this knowledge, consumers can identify when collectors are violating the FDCPA and exercise their rights under the statute. An informed public that enforces its rights under the FDCPA operates as a powerful, informal enforcement mechanism. The industry education initiative informs collectors of the Commission staff's positions on various FDCPA issues. With this knowledge, industry members can take all necessary steps to comply with the Act.

TOOLS FOR BOTH CONSUMERS AND INDUSTRY: A key educational tool – the Staff Commentary on the FDCPA – is useful in both the consumer and industry education initiatives. The Commentary, issued in 1988, provides the staff's detailed analysis of every section of the Act and serves as valuable guidance for consumers, their attorneys, courts, and members of the collection industry.²³ The Commentary superseded staff opinion letters issued prior to its publication. The Commentary is available on the Commission's FDCPA web page, located at www.ftc.gov/os/statutes/fdcpajump.htm. Members of the public accessed the web page 105,969 times in 2006.

TOOLS SPECIFICALLY FOR CONSUMERS: The Commission informs consumers about their rights and responsibilities under the FDCPA by means of written materials, one-to-one guidance, and public addresses to consumer groups. First, the Commission provides written materials, including a "Facts for Consumers" brochure entitled "Fair Debt Collection," which explains the FDCPA in plain language.²⁴ In 2006, the Commission distributed 128,000 paper copies of the brochure to consumers through non-profit consumer groups, state consumer protection agencies, Better Business Bureaus, and other sources of consumer assistance, including copies sent directly to consumers in response to inquiries to the Commission, a 53% increase from 2005. In addition, online users accessed the brochure on the Commission's website 405,128 times in 2006, up from 317,406 times in 2005. The Commission also publishes Spanish-language versions of the "Fair Debt Collection" brochure and several related consumer brochures, including

²³ 53 Fed. Reg. 50,097 (1988).

²⁴ The Commission's "Fair Debt Collection" brochure is accessible at <http://www.ftc.gov/bcp/online/pubs/credit/fdc.htm>.

“Credit and Your Consumer Rights” and “Knee Deep in Debt.”²⁵ The Commission distributed 11,525 paper copies of the Spanish version of “Fair Debt Collection” in 2006, and online users accessed the brochure 13,771 times, compared with 12,876 times in 2005. In addition, online users accessed the Commission’s consumer alert, “Time-Barred Debts,” 24,692 times in either English or Spanish.²⁶ The alert focuses on a consumer’s rights and responsibilities with respect to debts so old that creditors and debt collectors may no longer sue to collect them. The Commission issued the alert in 2004 in response to consumer inquiries, many of which arose in the wake of the Commission’s CAMCO case.

Second, the Commission provides consumer education through its Consumer Response Center (“CRC”), whose highly trained contact representatives respond to telephone calls and correspondence (in both paper and electronic form) each day from consumers concerning a wide array of issues. A toll-free number, 1-877-FTC-HELP, makes it very easy for consumers to contact the CRC. As noted above, a large percentage of consumer contacts with the Commission relate to debt collection. For those consumers who contact the CRC seeking only information about the FDCPA, the contact representatives answer any urgent questions and then either mail out the “Fair Debt Collection” brochure, and any other responsive consumer education materials, or refer the consumer to the appropriate web pages within the Commission’s website, located at <http://www.ftc.gov>. Many consumers, however, who contact the CRC complain about specific debt collectors, both third-party collectors and creditor collectors. For those consumers who complain about the actions of third-party collectors, the CRC contact representatives provide essential information about the FDCPA’s self-help remedies, such as the right to obtain written verification of the debt and the right to demand that the collector cease all communications about the debt. The CRC representatives also record information about debt collectors, both third-party and in-house, who are the subjects of complaints, enabling the Commission to track patterns of complaints for use in its enforcement initiative.

²⁵ The Spanish-language version of “Fair Debt Collection” (“Cobranza Imparcial de Deudas”) is accessible at <http://www.ftc.gov/bcp/online/spanish/credit/s-fdc.htm>; “Credit and Your Consumer Rights” (“El Crédito y Sus Derechos como Consumidor”) is accessible at <http://www.ftc.gov/bcp/online/spanish/credit/s-crdright.htm>; and “Knee Deep in Debt” (“Endeudado Hasta el Cuello”) is accessible at <http://www.ftc.gov/bcp/online/spanish/credit/s-kneedeep.htm>.

²⁶ The Commission’s “Time-Barred Debts” alert is accessible in English at <http://www.ftc.gov/bcp/online/pubs/alerts/timebaralrt.htm> and in Spanish (“Duedas Prescriptas”) at <http://ftc.gov/bcp/online/spanish/alerts/s-timebaralrt.htm>.

Third, the Commission extends the reach of its consumer education initiative through public speaking engagements by Commission staff for consumer groups across the country. From local talk shows, to military bases, high school and college campuses, and consumer fairs, staff members inform consumers of their rights under the FDCPA and other consumer finance statutes, and respond to a wide range of questions and concerns.

TOOLS SPECIFICALLY FOR THE COLLECTION INDUSTRY: The Commission staff also delivers speeches and participates in panel discussions at industry conferences throughout the year. In addition to the presentations at industry conferences, the Commission staff maintains an informal communications network with the leading debt collection trade associations, which permits staff members to exchange information and ideas and discuss problems as they arise. Commission staff members also provide interviews to general media and trade publications. These interviews serve as yet another vehicle for the staff to make its positions known to the nation's debt collectors.

CONCLUSION

Although many debt collectors covered by the FDCPA already comply with the statute, the Commission continues to receive a significant number of complaints about those who do not. Combined, complaints about third-party debt collectors and in-house collectors in 2006 totaled 90,629 and represented 26% of all complaints the Commission received (excluding complaints about identity theft and the Do Not Call registry). Through its FDCPA program of enforcement and education, the Commission encourages collectors who comply with the law to continue to do so, and provides strong incentives for those who are not complying to conform their future practices with the dictates of the law. Vigorous federal and state law enforcement in this area is essential to stop those debt collectors who fail to follow the FDCPA.