

## *Advocacy Submits Comments on the Bureau of Consumer Financial Protection's Proposed Rulemaking on Debt Collection*

On May 21, 2019, the Bureau of Consumer Financial Protection (Bureau) published a proposed rule on *Debt Collection (Regulation F)*. On September 18, 2019, the Office of Advocacy submitted a letter to the Bureau regarding this rule.

- Regulation F implements the Fair Debt Collection Practices Act (FDCPA) and addresses communications in connection with debt collection. It also interprets and applies prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection. Finally, it clarifies requirements for debt collection disclosures.
- The Bureau is prescribing the rules pursuant to its authority under the FDCPA, as well as the Dodd-Frank Act's prohibitions on unfair, deceptive or abusive acts or practices (UDAAP). The UDAAP provisions create uncertainty for first party creditors who are not supposed to be regulated by the proposal. Advocacy encouraged the Bureau to limit the rule to the FDCPA.
- The rule imposes a limit on the frequency of debt collection calls and provides a safe harbor for debt collectors who comply with the call caps. Because small entities do not usually make calls that exceed the limits in the proposal, Advocacy encouraged the Bureau to exempt small debt collectors from the call limit caps.
- Several provisions of the rule will be particularly difficult for small debt collectors and require consideration of alternatives approaches. These include the requirement of compliance with the E-Sign Act for electronic disclosures, the requirement of an itemized validation notice, liability for an attempt to collect a debt that is time-barred and requirements for retention of records.
- The initial regulatory flexibility analysis states that larger collectors may already have some of the proposed provisions in place. The small debt collectors may not. Some of the provisions may require expensive changes to technology and additional training. Advocacy encouraged the Bureau to give small entities additional time to comply, if they cannot be exempted from the requirements of the proposed rule.

For more information, visit [Advocacy's webpage](#) or contact [Jennifer Smith](#) or 202-205-6943.

