



FTC Offers Guidelines for Consumers Regarding Debt Collection

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The website for the Federal Trade Commission (www.ftc.gov) offers valuable information for consumers concerning their rights under the Fair Debt Collection Practices Act (FDCPA). "Debt Collection FAQs: A Guide For Consumers" answers the most frequently asked questions concerning the FDCPA. Among the questions answered are:

What types of debts are covered?

The Act covers personal, family, and household debts, including money you owe on a personal credit card account, auto loan, medical bill, or mortgage. The FDCPA does not cover business debts.

Can a debt collector contact me any time or any place?

No. A debt collector may not contact you at inconvenient times or places, such as before 8 a.m. or after 9 p.m., unless you agree to it. Collectors may not contact you at work if they are told (orally or in writing) that you're not allowed to get calls there.

How can I stop a debt collector from contacting me?

If a collector contacts you about a debt, you may want to talk to them at least once to see if you can resolve the matter, even if you don't think you owe the debt, can't repay it immediately, or think that the collector is contacting you by mistake. If you decide after contacting the debt collector that you don't want

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the collector to contact you again, tell the collector, in writing, to stop contacting you. Send the letter by certified mail, return receipt requested, so you will be able to prove the collector received your letter.

Once the collector receives the letter, they may not contact you again except to tell you there will be no further contract or to let you know that they or the original creditor intend to take a specific action, such as filing a lawsuit.

Can a debt collector contact anyone else about my debt?

If an attorney is representing you about the debt, the debt collector must contact the attorney, rather than you. If you don't have an attorney, the debt collector may contact other people, but only to find out your address, home phone number, and where you work. Collectors usually are prohibited from contacting third parties more than once. Other than to obtain location information about you, a collector generally is not permitted to discuss your debt with anyone other than you, your spouse, or your attorney.

What practices are off limits for debt collectors?

1. Harassment. Debt collectors may not harass, oppress, or abuse you or any third parties they contact. They may not:

- use threats of violence or harm;
- publish a list of names of people who refuse to pay their debts (but they may give this information to the credit reporting companies);
- use obscene or profane language; or
- repeatedly use the phone to annoy someone.

2. False statements. Debt collectors may not lie when they are trying to collect a debt. For example, they may not:

- falsely claim that they are attorneys or government representatives;

- falsely claim that you have committed a crime;
 - falsely represent that they operate or work for a credit reporting company;
 - misrepresent the amount you owe;
 - indicate that papers they send you are legal forms if they are not;
 - indicate that papers they send you are not legal forms if they are;
 - indicate that you will be arrested if you do not pay your debts;
 - threaten to seize, garnish, attach, or sell your property or wages unless they are permitted by law to take the action and intend to do so;
 - indicate that legal action will be taken against you, if doing so would be illegal or if they don't intend to take the action;
 - give false credit information about you to anyone, including a credit reporting company;
 - send you anything that looks like an official document from a court or government agency if it is not; or
 - use a false company name.
3. Unfair practices. Debt collectors may not engage in unfair practices when they try to collect a debt. For example, they may not:
- try to collect any interest, fee, or other charge on top of the amount you owe unless the contract that created your debt (or your state law) allows the charge;
 - deposit a post-dated check early;

- take or threaten to take your property unless it can be done legally; or
- contact you by postcard.

Can a debt collector garnish my bank account or my wages?

If you don't pay a debt, a creditor or its debt collector generally can sue you to collect. If they win, the court will enter a judgment against you. The judgment states the amount of money you owe, and allows the creditor or collector to get a garnishment order against you, directing a third party such as your bank to turn over funds from your account to pay the debt.

Wage garnishment happens when your employer withholds part of your compensation to pay your debts. Generally, wage garnishment is not allowed in Texas, except for delinquent taxes, child support, or student loans.

Can federal benefits be garnished?

Many federal benefits are exempt from garnishment, including:

- Social Security benefits
- Supplemental Security Income (SSI) benefits
- Veterans' benefits
- Civil service and federal retirement and disability benefits
- Service members' pay
- Military annuities and survivors' benefits
- Student assistance

- Railroad retirement benefits
- Merchant seamen wages
- Longshoremen's and harbor workers' death and disability benefits
- Foreign service retirement and disability benefits
- Compensation for injury, death, or detention of employees of U.S. contractors outside the U.S.

However, federal benefits may be garnished to pay delinquent taxes, alimony, child support, or student loans.