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**MAYOR BLOOMBERG AND CONSUMER AFFAIRS COMMISSIONER MINTZ ANNOUNCE
NEW DEBT COLLECTION REGULATIONS TO PROTECT NEW YORKERS FROM BEING
HARASSED FOR DEBTS THEY DO NOT OWE**

Wrongful Debt Collection Attempts Tops Consumer Affairs' List of Complaints

Mayor Michael R. Bloomberg and Department of Consumer Affairs Commissioner Jonathan Mintz today announced new debt collection regulations designed to prevent New Yorkers from being harassed about debts they don't owe – a problem that has grown since the onset of the national recession in late 2007. Collectors, armed with a list of debtors, routinely attempt to collect from anyone in the five boroughs with the same name as a person on the list, regardless of whether the debt belongs to that person. Under the new regulations, any debt collection agency attempting to collect a debt from a New Yorker must provide proof the debt is owed at the consumer's request. The collector must provide a copy of the original debt documentation, a copy of the final account statement of the originating debt, a document itemizing the remaining amount due, including any additional fees or charges claimed to be due and the basis of the consumer's obligation to pay them. Other provisions of the new regulations include disclosing the consumer's rights regarding the statute of limitations, and

providing written confirmation of the debt payment schedule or settlement within 21 days of the agreement. In addition, debt collection agencies must provide New Yorkers with a phone number that must be answered by a live operator and not an answering service.

“New Yorkers have long had strong protections when it comes to debt collection – in fact, the strongest local protections in the country,” said Mayor Bloomberg. “As the national recession worsened, exploitative debt collection schemes have become more brazen. Collectors get lists online and harass everyone with the same name on the list, putting every person they call on the defensive. The measures we are announcing today will help stop this rising tide of wrongful and financially harmful collection tactics, and protect New Yorkers from their often damaging consequences.”

“Wrongful debt collection is more than just annoying and stressful,” said Consumer Affairs Commissioner Jonathan Mintz. “Such wrongful collection attempts can cause serious and long-term damage to a family’s finances, including seized bank accounts, damaged credit ratings, and more. Consumers receiving improper debt collection calls should contact us by calling 311 or filing a complaint online.”

During 2009, the City’s Department of Consumer Affairs erased more than \$1 million in debt that New Yorkers didn’t legally owe but were pressed to pay anyway. Wrongful debt collection topped the list of complaints at DCA for the second year in a row and last year the City received more than 830 complaints against debt collectors.

Any business collecting debts from New York City residents must be licensed by DCA and must follow strict guidelines set by New York City Law. Currently, there are approximately 1,700 licensed debt collectors from all over the country attempting to collect debts from New York City residents. Consumer complaints regarding debt collectors generally concern debts consumers do not owe or alleged harassment tactics by the debt collector, such as contacting an employer or calling in the middle of the night.

As part of the Bloomberg Administration’s anti-poverty efforts, DCA’s Office of Financial Empowerment, the first program implemented under the Center for Economic Opportunity, offers free, professional financial counseling and assistance with debt at 20 Financial Empowerment Centers Citywide. City residents can call 311 or visit www.nyc.gov to find financial education classes, counseling and workshops nearest them. The City’s Financial Education Network Directory also provides a list of free and low-cost classes, workshops, and counseling services to make managing your money easier than ever.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses, DCA licenses more than 71,000 businesses in 57 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. DCA’s Office of Financial Empowerment is the first municipal office of its kind in the nation with a mission to educate, empower and protect New Yorkers with low incomes. The Office of Financial Empowerment administers a citywide network of Financial Empowerment Centers and other products and services that help these New Yorkers make the best use of their financial resources to move forward economically. For more information, call 311 or visit DCA online at nyc.gov.

TOP 10 THINGS TO KNOW ABOUT DEBT COLLECTION IN NEW YORK CITY

1. **A debt collection agency cannot claim to represent a government agency.**
Debt collectors cannot make false claims that they are marshals, sheriffs or a District Attorney’s Office representative. They cannot threaten to arrest a consumer, report a

consumer to immigration authorities or claim that a consumer has committed a crime.

2. **Debt collectors cannot threaten to have consumers evicted.**
3. **A debt collection representative cannot threaten to take your money.** Debt collectors cannot threaten to garnish wages, take the money from a consumer's bank account, or take personal belongings without first obtaining a judgment against you in court.
4. **A debt collection agency cannot threaten New Yorkers with violence.** Debt collectors cannot engage in acts of violence, threats of violence, or obscene language.
5. **Debt collectors cannot call too early, too late or too often.** In New York City, debt collectors cannot call you before 8 a.m. or after 9 p.m. They also cannot call you more than twice a week if the collector has made contact with you.
6. **Debt collectors cannot lie about the amount owed.** A debt collection agency cannot claim the debt owed is greater than it is or claim a consumer owes the debt when they do not.
7. **A debt collection agency must tell you that the statute of limitations for collecting the debt has expired.**
8. **A collection agency cannot reveal your debt to anyone but you.** It is illegal for debt collectors to advertise a consumer's debt or reveal it to anyone, including family members and neighbors.
9. **A debt collector cannot contact your employer, family, friends and neighbors.** A collector can only contact someone other than the consumer to locate the consumer. Collectors cannot discuss the alleged debt with anyone other than consumer.
10. **Protect your money.** If a debt collection agency is unlicensed, fails to give you information required by law, or unlawfully threatens or harasses you, call 311 or visit nyc.gov/consumers to file a complaint with the Department of Consumer Affairs.

WHAT TO DO IF A DEBT COLLECTION AGENCY CONTACTS YOU

- **Check that the debt collection agency is licensed.** Debt collection agencies must include their DCA license number in all letters sent to you. To verify if a debt collection agency is licensed, call 311 (212-NEW-YORK outside NYC) or search DCA's Instant License Check, available online at nyc.gov/consumers.
- **Check that the debt collection agency provided required information.** By law, debt collection agencies must provide the following information in all communications to you the name of the debt collection agency, the name of the original creditor, the amount of the debt, a call-back number to a phone that is answered by a live person, and the name of that person. If your call is routed from the agency's main telephone line, the live person qualified to handle your questions must answer the call within 60 seconds.
- **Request in writing that a debt collector send you proof of the debt as soon as you are contacted by a debt collector.** The documentation provided to you must include proof that you owe the debt from the original creditor and documents that show the total principal amount you owe and additional charges or fees incurred.
 - **Confirm if you owe the debt by checking your credit report.**
- **Check how old the debt is.** If the statute of limitations on the debt is expired, the collector must disclose this information to you, along with information about your legal rights. The statute of limitations is the period of time that a creditor or collector can sue you in court to collect the debt.