

# FAIR DEBT COLLECTIONS PRACTICES ACT

*“If you don’t pay this bill in full by Friday, we’ll have you arrested and put in jail. Your employer will find out that you don’t pay your bills, and so will all your friends. The only way to stop this is to pay up now. What are you going to do, Mr. Smith?”*

If you use credit cards, owe money on a personal loan, or are paying on a home mortgage, you are a *debtor*. The bank, mortgage company, or other lending agency with whom you have an account is the *creditor*. If you fall behind on your credit card or loan payments, you may be contacted by a *debt collector*.

A debt collector is any person who regularly collects debts owed to others. This includes attorneys who collect debts as well as collection agencies and other companies which pursue debt collection as a business.

The **federal Fair Debt Collection Practices Act** requires that debt collectors treat you fairly by prohibiting certain methods of debt collection. Personal, family, and household debts are covered under the Act. This includes money owed for medical care, charge accounts, credit cards, and car loans.

Debt collectors cannot use threats of violence or harm, threaten to have you arrested or take your property (unless it can be done legally), use profane or obscene language, pretend they government representatives or attorneys, or use a false name. A debt collector can contact you by mail or telephone but cannot contact you at inconvenient times (such as early in the morning or late at night).

The debt collector cannot contact you if, within 30 days after you receive a written notice you send the collection agency a letter stating that you do not owe money. However, if the collection agency then sends you proof of the debt, such as a copy of the bill for the amount owed, it can continue its collection activities.

If you have an attorney the debt collector must contact the attorney, rather than you. If you do not have an attorney, a debt collector may contact other people, but only to find out where you live, what your phone number is, and where you work. Debt collectors are usually prohibited from contacting third parties more than once. In most cases, the debt collector may not tell anyone other than you and your attorney that you owe money.

You can tell the debt collector not to call you at work. You also can stop a debt collector from contacting you at all by writing a letter telling it to stop, but **that does not stop the debt collection activities, only the attempts to contact you about the debt.**

If you reach an agreement with the debt collector regarding payment of the debt, you should follow up with a letter to the debt collector setting out the agreement. That will avoid any confusion over the terms and amounts agreed upon. Keep a copy of the letter.

## COMPLAINTS

- **You can file a complaint** about a debt collector by contacting the ND Department of Financial Institutions (DFI) at **(701) 328-9933** OR by contacting the federal Consumer Financial Protection Bureau (CFPB) toll-free at **1-855- 411-2372** or online at **www.consumerfinance.gov**.
- You have the right to sue a debt collector in state or federal court if you believe the law was violated. You may wish to contact a private attorney for assistance. ♦

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If you are feeling overwhelmed by debt, you may wish to contact a reputable credit counseling or debt management agency for help. Use caution - not all agencies are legitimate. Consider the advantages of working with a reputable local organization, such as the Village Family Service Center, which is the only credit counseling organization located in ND that is also an approved provider for required pre-bankruptcy financial counseling. Contact VFSC toll-free **1-800-450-4019** or **www.helpwithmoney.org**.