

■ Sample Letter Telling Collection Agency to Cease Contact

[DATE]

[NAME OF CREDITOR]

[ADDRESS OF CREDITOR]

Dear Sir or Madam:

I am writing to request that you stop communications to me about account number [YOUR ACCOUNT NUMBER] with [NAME OF CREDITOR] as required by the Fair Debt Collection Practices Act, 15 U.S.C. §1692c(C)

Your cooperation will be appreciated.

Very truly yours,

[YOUR SIGNATURE]

[YOUR ADDRESS]

REMEMBER. The law often changes. Each case is different. This pamphlet is meant to give you general information and not to give you specific legal advice.

Please use the information found in this brochure carefully since the law is constantly changing and the information may not accurately reflect any changes in the law that occurred following the creation and publication of the brochure.

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Debt Collection Practices

Public Information Pamphlet #8

What do the laws about debt collection cover?

Can debt collectors telephone me?

Can debt collectors communicate with other people about my debts?

What debt collection practices are prohibited?



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■ **THERE ARE** state and federal laws to protect people from debt collectors who use unfair, abusive, or deceptive practices. These laws do not excuse you from paying your debts, but they do protect you from improper collection practices.

What do the laws about debt collection cover?

The state and federal laws about debt collection practices are almost identical—with one important difference. The Pennsylvania law applies both to creditors (the person or company you actually owe money to) and to collection agencies (hired by the creditors to collect their money). The federal law applies only to collection agencies.

Can debt collectors telephone me?

Yes, but the law limits when and how a collector (either a collection agency or a creditor) may contact you. Phone calls can be made only at reasonable times (generally between 8 AM and 9 PM). Collectors cannot call you collect without telling you the purpose of the call. Anonymous calls or letters are also illegal.

If telephone calls from a collection agency are bothering you, you can order the agency to stop all contact with you by giving a written notice to cease communication with you. See the sample letter at the end of this brochure. Only collection agencies—not creditors themselves—have to obey such a letter, however.

Neither a collection agency nor a creditor can call you at work if your employer prohibits this type of call. And if you have an attorney, you can tell the collector to deal only with your attorney. If your employer prohibits collection calls or you have an

attorney handling the matter, put this in writing to the creditor and keep a copy of your letter.

Can debt collectors communicate with other people about my debts?

Unless you agree, collection agencies and creditors may not communicate with your employer, neighbors, or relatives about a debt. A collector who does not know where you are may contact third parties to try to find you but must not reveal anything about the debt to them.

What debt collection practices are prohibited?

Harassment and abuse. Collection agencies and creditors cannot do anything which harasses, oppresses, or abuses you. For example, they cannot

- threaten or actually use force or violence;
- use foul, abusive, or obscene language;
- make repeated phone calls to you.

False representations. Collection agencies and creditors cannot say or do anything which is false, deceptive, or misleading. For example, they cannot

- make a false claim that the collector is a lawyer or government official;
- use papers which look like but actually are not court papers;
- claim that you owe more than you really do;
- make statements that you would be committing a crime by not paying a debt. You cannot be sent to jail simply because you owe someone money.

Unfair practices. Collection agencies and creditors cannot use any unfair means to collect a debt. Examples are

- threatening to take action which the collector is not allowed to take or does not actually intend to take;
- asking for or accepting post-dated checks (in some circumstances). It is almost

always a bad idea to give post-dated checks to pay a debt;

- the collection of any amount of money unless it is expressly authorized by the agreement creating the debt or permitted by law.

If a collection agency contacts me, can I make the collector give me information about the debt?

Yes. Within five days after first contacting you (whether by phone or by mail), a collection agency must give you a written notice of the amount it claims you owe, the name of the creditor, and a statement of your right to disagree with the claim and to get more information about the claim.

What can I do to enforce these rights?

If a collection agency or creditor breaks the law, you can make a complaint to the Bureau of Consumer Protection at 1 (800) 441-2555.

You also have the right to sue in court. You may have as little as one year from the violation to sue. You may recover money for damages caused by the violation or an amount of money set by law. Since the state and federal laws are complicated and technical, you should consult an attorney if you want to consider filing a lawsuit because of debt collection practices.

What should I do if I am having problems paying my debts?

Do not let debt collectors pressure you into paying bills you cannot afford. Give first priority to expenses that are necessary to keep a roof over your head, food on the table, and your job. It is usually a bad idea to try to borrow more money to get out of debt, especially if you have to put up collateral such as your car or home.

Consolidation loans often have high interest rates and high fees.

If you are having problems paying your bills, look for the separate brochure *Overwhelmed by Debts?* and additional information under the sub-topic *Bankruptcy*.

