

Debt Collection FAQs



When a debt collector calls, it's important to know your rights and what you need to do. The FTC enforces the Fair Debt Collection Practices Act (FDCPA), which makes it illegal for debt collectors to use abusive, unfair, or deceptive practices when they collect debts.

What types of debts are covered?

Your credit card debt, auto loans, medical bills, student loans, mortgage, and other household debts are covered. Business debts are not.

Can debt collectors contact me any time or any place?

No. Debt collectors can't contact you at inconvenient times or places. They can't contact you before 8 a.m. or after 9 p.m., unless you agree to it. They also can't contact you at work if they're told you're not allowed to get calls there.

How can a debt collector contact me?

Debt collectors can call you, or send letters, emails, or text messages to collect a debt.

How can I stop a debt collector from contacting me?

Send a letter by mail asking for contact to stop (make yourself a copy before you do). You might want to send it by certified mail and pay for a "return receipt" so you have a record the collector received it. Once the collector gets your letter, it can only contact you to confirm it will stop contacting you, or to tell you a specific action, like filing a lawsuit, will be taken. If you are

represented by an attorney, and inform the collector, the collector must communicate with your attorney, not you, unless the attorney fails to respond within a reasonable period of time to the communication from the debt collector.

You might want to talk to the collector at least once, even if you don't think you owe the debt or can't repay it immediately. That way you can confirm whether it's really your debt. If it is your debt, you can find out from the collector more information about it. In talking with a debt collector, be careful about sharing your personal or financial information, especially if you're not already familiar with the collector.

Can a debt collector contact anyone else about my debt?

A debt collector generally can't discuss your debt with anyone but you or your spouse. If an attorney is representing you, the debt collector has to contact the attorney. A collector can contact other people to find out your address, your home phone number, and where you work, but usually can't contact them more than once.

What does the debt collector have to tell me about the debt?

A collector has to send you a written "validation notice" within five days of first contacting you. The notice has to say:

- how much money you owe
- the name of the creditor you owe it to
- what to do if you don't think it's your debt

What if I don't think I owe the debt?

You can send a debt collector a letter saying you don't owe any or all of the money, or asking for verification of the debt. If you send the letter within 30 days of getting the validation notice, the collector has to send you written verification of the debt, like a copy of a bill for the amount you owe, before it can start trying to collect the debt again. You also can get a collector to stop contacting you, at any time, by sending a letter by mail asking for contact to stop.

What are debt collectors not allowed to do?

They can't harass you. For example, they can't:

- threaten you with violence or harm
- use obscene or profane language
- repeatedly use the phone to annoy you

They can't lie. For example, they can't:

- misrepresent the amount you owe
- lie about being attorneys or government representatives
- falsely claim you'll be arrested, or claim legal action will be taken against you if it's not true

They can't engage in unfair practices. For example, they can't:

- try to collect interest, fees, or other charges on top of the amount you owe, unless the original contract or your state law allows it
- deposit a post-dated check early
- take or threaten to take your property unless it can be done legally

Can I control which debts my payments apply to?

Yes. If a debt collector is trying to collect more than one debt from you, it must apply any payment you make to the debt you choose. A debt collector may not apply a payment to a debt you say you don't owe.

What should I do if a debt collector sues me?

If a debt collector files a lawsuit against you to collect a debt, respond, either personally or through your attorney, by the date specified in the court papers. That will preserve your rights.

Can a debt collector take money from my paycheck?

Yes, but the collector must first sue you to get a court order — called a garnishment — that says it can take money from your paycheck to pay your debts. A collector also can seek a court order to take money from your bank account. Don't ignore a lawsuit, or you could lose the opportunity to fight a court order.

Can my federal benefits be garnished?

Many federal benefits are generally exempt from garnishment, though they might still be garnished to pay delinquent taxes, alimony, child support, or student loans. States have their own laws about which state benefits can be garnished.

What if my debt is old?

Debt collectors have a certain number of years they can sue you and win to collect a debt. It's called the statute of limitations, and usually begins when you fail to make a payment on a debt. Once it's over, your unpaid debt is considered "time-barred," but in some states, you have to raise the age of the debt as a defense to win.

How long the statute of limitations on a debt lasts depends on what kind of debt it is, and the law in your state or the state specified in your credit contract.

Also, under the laws of some states, if you make a payment or provide written acknowledgment of your debt, the clock may start ticking again.

Can a debt collector contact me about a time-barred debt?

Yes. Even if a debt collector can't successfully sue you over a time-barred debt, you may still owe it.

What if I'm not sure whether my debt is time-barred?

Ask the collector when its records show you made your last payment. You also can send the collector a letter within 30 days of receiving a written notice of the debt. Explain why you're disputing the debt and that you want to verify it. A collector must stop trying to collect until it gives you verification.

Does a time-barred debt stay on my credit report?

Maybe. The statute of limitations for a debt is usually different from the reporting period for a debt on your credit report. In general, negative information stays on your credit report for seven years.

Do I have to pay a debt that's considered time-barred?

It's up to you. Consider talking to an attorney before you decide. You can:

- Pay nothing. The collector can't sue you, but can continue to contact you unless you send a letter by mail asking for contact to stop.
- Make a partial payment. In some states, if you pay any amount on a time-barred debt or even promise to pay, the debt is "revived," and the statute of limitations resets. The collector might be able to sue you to collect the full amount of the debt, which may include extra interest and fees.
- Pay off the debt. Some collectors will accept less than what you owe to settle a debt. Before you make any payment to

settle a debt, get a signed form or letter from the collector that says the amount you're paying settles the entire debt and releases you from any further obligation. Also keep a record of the payments you make to pay off the debt.

What should I do if I'm sued for a time-barred debt?

You still need to respond. Consider talking to an attorney. If you ignore a lawsuit, the collector could get a court judgment and garnishment against you. Tell the judge the debt is time-barred, and show a copy of the verification notice from the collector or any information that shows the date of your last payment.

Where do I report a debt collector for an alleged violation?

Report any problems you have with a debt collector to:

- your state attorney general's office (naag.org)
- the Federal Trade Commission (ftc.gov/complaint)
- the Consumer Financial Protection Bureau (cfpb.gov/complaint)

Many states have their own debt collection laws that are different from the federal Fair Debt Collection Practices act. Your Attorney general's office can help you determine your rights under your state's law.

What else can I do if I think a debt collector has broken the law?

You can sue a collector in a state or federal court within one year of the date the law was violated. You can sue for damages, like lost wages and medical bills. If you can't prove damages, you can still be awarded up to \$1,000, plus reimbursement for attorney's fees and court costs. A group of people suing as part of a class action lawsuit can recover money for damages up to \$500,000, or one percent of the collector's net worth, whichever amount is lower.

Even if a court finds a debt collector violated the FDCPA in trying to collect a debt, you still owe the debt.

For More Information

For more on debt-related issues, visit ftc.gov/debt.



Federal Trade Commission

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