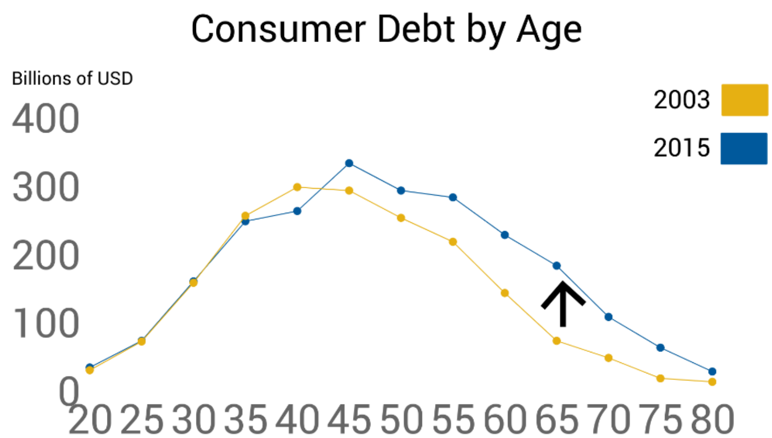
Older Consumers and Debt Collection

A strong rule from the Consumer Financial Protection Bureau (CFPB) is needed to protect consumers from abusive debt collection tactics, especially older consumers, whose rates of indebtedness have increased significantly in recent years.

Older consumers manage much more debt today than in previous years.
In 2016, data from the Federal Reserve found that **one out of every two families headed by someone aged 75 or older were in debt**, more than twice the rate reported by older consumers in 1989. And the Federal Reserve Bank of New York found that between 2003 and 2015, **student loan debt held by persons 65 and older increased over eight-fold** (886%), while debt secured by a home increased by nearly 50% and auto loan debt increased by almost 30%.



Older consumers acquire debt for different reasons than younger consumers.
According to AARP, consumers aged 50 or older are more likely to have credit card debt for car or home repairs, or due to helping pay the debts of relatives. The National Council on Aging found that elders skip meals, discontinue medications, miss medical appointments, or forgo home and auto repairs to pay debt.

Older consumers are prey to debt collectors. According to a CFPB report, **1 in 5 older consumers** reported being contacted by a debt collector or creditor, many of whom were subjected to abusive practices. These include efforts to collect the debt of deceased family members and attempts to get elders to make debt payments using exempt government benefits.

Older consumers turn to the CFPB for help. Debt collection ranks third among complaints submitted to the CFPB's complaints database by older consumers. The majority of these complaints allege the older consumer believes they do not owe the debt or they've been threatened or otherwise mistreated by the debt collector.

The CFPB should protect all borrowers from abusive debt collection by:

- **Stopping telephone harassment,**
- **Banning collection of time-barred "zombie" debt, and**
- **Protecting consumer privacy.**