

This article provides advice to consumers in dealing with debt collectors. The article is based on an updated chapter in [NCLC's \*Surviving Debt\*](#) [1] (available for a limited time digitally to the public at no charge). The advice now considers new consumer rights and new consumer risks flowing from federal rules that just went into effect on November 30, 2021. For more detail on these rules (the Consumer Financial Protection Bureau's Regulation F on the Fair Debt Collection Practice Act), refer to [this article](#) [2], which summarizes the rules and provides links for more detail to NCLC's [newly revised \*Fair Debt Collection\*](#) [3].

## Do Not Let Collectors Pressure You

Do not let debt collection harassment force you into wrong decisions. Make your own choices about which debts to pay first based on what is best for you.

You are not a deadbeat—circumstances outside your control prevent you from paying all your debts. The most common reasons most people cannot pay their bills are job loss, illness, divorce, or other unexpected events. Creditors and collectors know this. The debt collector's job is to try to convince you to pay their debt first. Your job, however, is to make the right choices for you and your family.

## What Collectors Can Legally Do to Collect on a Debt

Most debts, such as almost all credit card obligations, medical bills, and cell phone charges are “unsecured.” You do not have to put up any collateral such as your home or car to secure repayment. An *unsecured* creditor collecting a debt that is not owed to the government (for example, tax debts or federal student loans) can only legally do the following four things if you do not pay their debt:

**1. Stop doing business with you.** A credit card issuer can cancel your card or a dentist might refuse to let you continue as a patient. Usually, even if one merchant stops doing business with you, you can find someone else who will do so, on a cash basis or even on credit.

**2. Report the delinquent debt to a credit bureau.** The fact that you are behind on your bills will likely end up on your credit record. You cannot stop this, short of always being current on all of your bills. While this is unfortunate, it still may not make sense to prioritize a particular bill first just because it may be reported to a credit bureau.

Many creditors routinely report the status of all of their accounts each month to a credit bureau. When the account is turned over to a collection agency, this also may be indicated on your credit report. If that is true, the damage to your credit score has already happened. Paying the debt collector now will not do much to improve your credit rating and failing to pay will not likely do much more damage to your credit rating.

Whether or not the creditor reports to credit bureaus, a debt collector seeking to report an account must first attempt to contact you about the alleged debt before it does so. Where the account has not been reported by the creditor already, this notice from the debt collector may provide an opportunity to negotiate about an account before any credit reporting occurs.

**3. Contact you to ask you to pay.** Creditors will attempt to contact you to arrange for payments on overdue accounts. Your account may then be placed with debt collectors who also attempt to reach you. Traditionally most of these communications have been in writing or by phone, but collectors can also use email, text, direct messages via social media platforms, or other types of communication. New federal rules that took effect on November 30, 2021, will likely greatly increase the use of electronic communications by debt collectors.

Below you will find several different sample letters that are effective in stopping a debt collector from contacting you if you want to avoid debt harassment or instruct the debt collector to stop attempting to contact you using certain types of communications (e.g., telling the debt collector to stop calling you). In addition, federal law prohibits third-party debt collectors from telling friends, relatives, employers, or other third parties about the debt they claim you owe.

**4. File a lawsuit to collect the debt.** It is hard to predict whether a particular creditor will actually sue on a past-due debt. How aggressively a collection agency seeks to collect the debt is not an indication of whether the creditor will sue.

If the creditor does sue you, you have a right to respond and raise defenses. Doing so may stop the creditor from pursuing the

case. However, failing to respond to a lawsuit or failing to show up in court when required may result in a win by default for the creditor.

If the creditor does pursue a lawsuit to its conclusion (or you do not respond to the lawsuit and the creditor wins by default) and the judge rules that you owe the debt, the unsecured debt becomes a court judgment. A court judgment is a higher priority debt than the previous unsecured debt. After a judgment, the creditor may be able to use powerful collection tools such as wage garnishment or bank account garnishment (depending on state law), as discussed in [NCLC's \*Surviving Debt\* Chapter 21](#) [4] (available for a limited time digitally to the public at no charge) and as discussed in more detail in [NCLC's \*Collection Actions\*](#) [5].

## **Nine Ways to Stop Debt Collection Harassment**

**1. Investigate the collector.** You may receive calls, emails, or other electronic messages from scammers pretending to be debt collectors. Do not make any payments unless you are sure that the collector is legitimate.

If a suspicious party has reached you by phone, ask for the caller's name, company, phone number, and business address. Simply asking these questions may discourage a phony debt collector from contacting you again. If a suspicious party contacts you electronically, do not click on any links or open any attachments to electronic messages from senders that you do not know to avoid phishing attacks or potential computer viruses.

You can also check to see if your state licenses debt collectors and if the company that is contacting you is licensed. If your state does not license debt collectors, check the registry for a neighboring state. Some states also provide licensing information to the Nationwide Multistate Licensing System at [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org) [6]. That website will thus provide a few more states where the debt collector might be licensed.

**2. The “stop contact” or “cease” letter.** One strategy to stop collection harassment is to write the collector a “stop contact” letter, also called a “cease” letter. Then the collector can only acknowledge the letter and notify you about legal steps the collector may take. This protection usually only applies to collection agencies hired by the creditor or debt buyers that purchased debts from the creditor, but even creditors collecting their own debts may honor such requests.

**Important:** Ceasing collection communications will not change whether you owe the debt.

Below is a sample letter, also found ready for editing at [www.nclc.org/survivingdebt](http://www.nclc.org/survivingdebt) [7]:

[Your name]  
[Your return address]  
[Date]

[Debt collector name]  
[Debt collector address]

Re: [Account number for the debt, if you have it]

Dear [Debt collector name],

I am responding to your contact about an alleged debt you are attempting to collect. You contacted me by [phone/mail/email], on [date]. You identified the alleged debt as [any information they gave you about the debt]. Please stop all communication with me and with this address about this alleged debt.  
Thank you for your cooperation.

Sincerely,  
[Your name]

Keep a copy of the letter and send the original by mail, return receipt requested. You can also send cease letters electronically using any type of electronic communication that the debt collector uses to accept consumer communications. If the collection agency accepts emails from consumers, you can send cease letters via email.

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If a debt collector continues to contact you, send another letter or electronic message and once again keep a copy. Tell them you know that they are violating federal law by continuing to contact you. Keep a careful record of any communications you receive after sending the letter, which will be helpful if you sue the debt collector for violating your federal rights.

You do not need a lawyer to send a cease letter. However, if a cease letter does not stop collection calls, a letter from a lawyer usually will. Collection agencies must stop contacting a consumer known to be represented by a lawyer, if the lawyer responds to the collection agency's inquiries. Even though this requirement does not apply to creditors collecting their own debts, these creditors usually honor such requests from a lawyer. A collector's lawyer is bound by legal ethics not to contact you if you are represented by a lawyer.

**3. Stopping only certain types of collection contacts.** Instead of stopping all types of collection communication, you may only want to stop some types of contacts and allow others. Debt collectors must comply with consumer requests to stop using a particular type of communication—for example, a request to stop calling or stop emailing. The collector must also comply with requests concerning communications to a particular phone number, email address, or other electronic account. Unlike a cease communication letter, this does not stop all types of communications.

You can stop communications from collection agencies at inconvenient times or places by telling a live operator that the contacts are inconvenient. For example, you could say:

I am not allowed to receive this type of call at work [or calls at work are inconvenient]. Please stop calling me at work. Please don't call me before noon. Morning calls are not convenient.

Or tell a collector exactly when and how you would like to be contacted. For example:

Please only contact me at [phone number] after [time]. Calls at other times and numbers are not convenient.

Electronic communications from debt collectors must include instructions for how you can stop receiving that type of electronic communications. For example, an email from a debt collector must include instructions about how you can stop future emails to that email address. Be careful about clicking on any links. You can always call or send a letter to request that the collector stop using electronic communication.

You do not have to put these requests in writing. You can simply tell a live operator to stop contacting you in a certain way:

Please stop calling me." Or "Please stop emailing me.  
Stop calling me at 212-555-1212." Or "Please stop emailing me at consumer@test.com.

However, if you would like to do so, you can change the last line of the letter above to tell the collector how you would like to be contacted. For example:

Please stop all communications by email and text message. You can call me after 5:00 p.m. at 212-555-1212.

**4. The "exempt income" letter.** If your only sources of income are state or federal government benefits, your income may be "exempt" or protected from collection. (See [NCLC's Surviving Debt Chapter 21](#) [4] (available for a limited time digitally to the public at no charge) for more information about whether your income is exempt.) If you inform the collector that government benefits are your only source of income, the collector may voluntarily stop contacting you about the alleged debt.

You can inform collectors over the phone if all of your income is exempt, and you can also send a letter like this one, also found ready for editing at [www.nclc.org/survivingdebt](http://www.nclc.org/survivingdebt) [7]:

[Your name]

[Your return address]

[Date]

[Debt collector name]

[Debt collector address]

Re: [Account number for the debt, if you have it]

Dear [Debt collector name],

I am responding to your contact about an alleged debt you are attempting to collect. You contacted me by [phone/mail/email], on [date]. You identified the alleged debt as [any information they gave you about the debt]. I am living on \_\_\_\_\_/month which comes from [name of government benefit(s)]. I believe that all of my income is exempt from collection and creditors may not garnish these payments.

Sincerely,

[Your name]

You may want to ask in the letter or a separate letter that the debt collector stop contacting you—see #2, above, for a sample stop contact or “cease” letter. You may also want to specify certain types of contacts that you do not want to receive, as discussed in # 3 above. Keep a copy of any letters that you send. It is best to send the letter by mail, return receipt requested.

**5. The “dispute” letter.** If you believe the debt is not yours, that the amount is incorrect, or that there is some other error, you should send the collector a dispute letter. Collectors make a lot of mistakes and disputing the debt may help resolve the matter.

Federal law requires debt collectors to provide “validation information” about the alleged debt and your rights to dispute the debt. Collectors will be able to provide this information orally, electronically, or via a written letter. While collectors are unlikely to provide the lengthy notice orally, they may choose to deliver these notices electronically. If a debt collector claims to have sent a notice previously but you never received it, ask for another copy.

If you send a dispute within thirty days of receiving this validation information from the third-party collector, the collector must stop collection contacts until it sends you more information verifying the debt. Debt collectors must specify a response date, but even if you miss this deadline, you can still raise disputes after this initial dispute period has passed.

Here is a sample letter, also found ready for editing at [www.nclc.org/survivingdebt](http://www.nclc.org/survivingdebt) [7]:

[Your name]

[Your return address]

[Date]

[Debt collector name]

[Debt collector address]

Re: [Account number for the debt, if you have it]

Dear [Debt collector name],

I am responding to your contact about collecting an alleged debt. You contacted me by [phone/mail/email], on [date] and identified the alleged debt as [any information they gave you about the debt]. [Explain what you are disputing. For example, “I am not responsible for the debt you’re trying to collect.” Or “The amount that you are seeking to collect is incorrect.”]

Please record this dispute. If you stop your collection of this debt, and forward or return it to another company, please indicate to them that it is disputed. If you report it to a credit bureau (or have already done so), also report that the debt is disputed.

Thank you for your cooperation.

Sincerely,  
[Your name]

Keep a copy of any letters that you send. It is best to send the letter by mail, return receipt requested. You can also send dispute letters electronically using any type of electronic communication that the debt collector uses to accept consumer communications. If the collection agency accepts emails from consumers, you can send dispute letters via email.

You may want to combine a dispute with a request for more information. See the sample letter found at item #6, below.

**6. The “verification” letter.** Often it is not even clear what debt a collector is contacting you about, and, in that case, you should not pay the collector, at least not until you obtain more information. As discussed in item 5, above, federal law requires debt collectors to provide “validation information” about the alleged debt. However, you may still have more questions about the alleged debt.

This sample letter outlines some of the different types of additional information you might request about the debt—you typically do *not* need to ask for all this information. The letter is also found ready for editing at [www.nclc.org/survivingdebt](http://www.nclc.org/survivingdebt) [7]:

[Your name]  
[Your return address]

[Date]

[Debt collector name]  
[Debt collector address]

Re: [Account number for the debt, if you have it]

Dear [Debt collector name]:

I am responding to your contact about an alleged debt you are trying to collect. You contacted me by [phone/mail/email], on [date] and identified the alleged debt as [any information they gave you about the debt]. Please supply the information below so that I can be fully informed about the alleged debt:

*Why you think I owe the debt and to whom I owe it, including:*

- The name and address of the creditor to whom the alleged debt is currently owed.
- The name and address of the original creditor and any other names used.
- A copy of the original contract or other agreement.
- The name of any other person that is or was required to pay the alleged debt.

*The amount and age of the debt, including:*

- Provide a copy of the last billing statement sent to me by the original creditor.
- State the amount of the alleged debt when you obtained it.
- State the date when you obtained the alleged debt.
- Provide an itemized list of any alleged interest, fees, or charges since the last billing statement from the original creditor.
- Provide a copy of any agreement expressly authorizing such interest, fees, or additional charges.
- Provide an itemization showing any payments since the last billing statement from the original creditor.
- State when the creditor claims this debt became due and when it became delinquent.
- Identify the date of the last payment made on this account.
- State when you think the statute of limitations expires for this debt, and how you determined that.

*Details about your authority to collect this debt, including:*

- Provide the number of any license to collect debt in [insert name of the state where you live] and the name of the issuing agency.
- Provide the number of any license to collect debt in the state where you are located and the name of the issuing agency.

Please treat this debt as disputed until you provide the information requested.

Thank you for your cooperation.

Sincerely,  
[Your name]

Keep a copy of any letters that you send. It is best to send the letter by mail, return receipt requested. You may want to combine this with a dispute letter. See the sample letter found at item #5, above. It is best to send the letter within thirty days of receipt of the validation information.

**7. Negotiating work-out agreements.** Too often consumers respond to debt harassment by agreeing to make payments to the collector. You should not pay even a little on a credit card, medical, or other unsecured debt if doing so means that you become delinquent on high priority expenses like your rent, payments for a car that you need to get to work, or essential family expenses like food or medicine.

Be wary of making a partial payment on old debts. You cannot be sued on a debt that is a certain number of years old (depending on your state). In some states, if you make even a small payment on an old bill or acknowledge the debt, courts may treat this as starting the time period over again, and you can then be sued on the debt only because you made that payment.

Beware of debt settlement companies that promise to negotiate with the creditor on your behalf. These companies typically take large fees and often produce far less than promised.

Drive a hard bargain on any payment plan you agree to—ask them to reduce the debt. Be careful not to agree to pay more than you can afford. If you're uncomfortable negotiating on your own, ask a social worker, trusted friend, or relative to help you. Get any deal in writing. Some collectors may be willing to negotiate to remove items from your credit report once you have paid as agreed.

Determine—after reviewing [NCLC's Surviving Debt Chapter 21](#) [4] (available for a limited time digitally to the public at no charge)—if you are judgment-proof. Being judgment proof means that if the creditor sues you, that creditor will not be able to seize your income or property because they are all exempt under your state law. If you are judgment-proof, offer the creditor little or nothing and just say that it is not worth pursuing you since you are judgment-proof. Also tell them to stop contacting you. See the sample letters at items #2 and #4, above.

**8. Complaining to the Consumer Financial Protection Bureau.** Send a complaint about a debt collector to the Consumer Financial Protection Bureau at [www.consumerfinance.gov/complaint](http://www.consumerfinance.gov/complaint) [8]. The agency will forward your complaint to the debt collector and work to get you a response, usually within fifteen days. You can also complain to the consumer protection division of your state attorney general's office. Some states offer mediation services for consumer disputes.

**9. Bankruptcy.** Filing your initial papers for personal bankruptcy instantly triggers the “automatic stay” that stops all collection activity against you. As a rule, a bankruptcy filing does not make sense where your only concern is debt harassment since you can stop the harassment with a cease contact letter (see item #2, above). Save the bankruptcy option for when you have serious financial problems. For this reason, be wary of an attorney offering to file bankruptcy for you if the only problem is debt harassment.

## Illegal Debt Collection Conduct

The major law dealing with illegal debt collection conduct is the federal Fair Debt Collection Practices Act (known as the FDCPA). The FDCPA only applies to debt collectors (including collection attorneys), but state law may have similar requirements for the creditors' own collection efforts.

*The FDCPA and its regulations require collection agencies to take certain actions, including:*

- The collection agency must tell you that it is a debt collector.
- Debt collectors must take certain steps to try to contact you about an account before reporting it to a collection bureau.
- The collection agency must stop communicating with you if you make a written cease communication request or stop making certain types of communications in response to your written or oral request.
- The collection agency, in its initial communication or within five days, must provide you with important information about the debt. If you raise a dispute in writing within thirty days of receiving that notice, the collector must suspend

collection efforts on the disputed portion of the debt until the collector responds to the request.

*The FDCPA also prohibits harassing collection conduct, including:*

- Communicating about a debt without your permission with your relatives, employers, friends, neighbors, or others. Collectors may contact attorneys, credit bureaus, cosigners, and your spouse. They can contact others only to locate you and cannot reveal that a debt is involved.
- Using any communication, language, or symbols on envelopes or postcards that indicate that the sender is in the debt collection business.
- Posting on social media about the alleged debt in a way that can be viewed by the public or your social media contacts.
- Communicating with you at unusual or inconvenient times or places. The times 8:00 a.m. to 9:00 p.m. (in the time zone where you live) are generally considered convenient, but daytime contacts with a consumer known to work a night shift may be inconvenient.
- Contacting you at work if the collector should know that your employer prohibits personal calls.
- Contacting you if you are represented by a lawyer.
- Using obscene words, racial slurs, insulting remarks, or threats of violence.
- Telephoning more than seven times in a seven-day period about a single account or speaking to you more than once in a seven-day period about that account.
- Falsely representing the character, amount, or legal status of a debt.
- Falsely stating or implying a lawyer's involvement.
- Stating that nonpayment will result in arrest, garnishment, or seizure of property, unless lawful and the collector intends to take such action.
- Collecting fees or charges the collector is not entitled to collect.
- Depositing post-dated checks before their date.
- False impressions that collector is a government affiliate or agent.

**Finding an Attorney to Sue a Debt Collector.** You can sue debt collectors that violate your rights. If you win a lawsuit under the FDCPA, you can recover money for any injuries you suffer, plus up to \$1,000 in additional damages, plus your attorney fees.

The National Association of Consumer Advocates (NACA) is a good resource to help you find an attorney to take your case to sue a debt collector for illegal debt collection conduct. Members by state and specialty are listed at [www.consumeradvocates.org/find-an-attorney](http://www.consumeradvocates.org/find-an-attorney) [9]. Families with low incomes and limited assets may be eligible to obtain free legal services from a neighborhood legal services office. You can find legal aid programs at [www.lawhelp.org/find-help](http://www.lawhelp.org/find-help) [10]. Other consumers can contact local bar associations for attorney referrals.

**What You Should Tell Your Attorney.** Tell your attorney how the collector's misconduct affected you and your family. Overcome any reluctance to discuss your feelings about the harassment, since the details will be critical in determining what kind of legal case you have. All symptoms of emotional distress should be discussed, including anxiety, embarrassment, headaches, nausea, indignation, irritability, loss of sleep, and interference with family or work relationships. Did you consult a doctor? Were there illnesses brought on by the harassment?

Share information about out-of-pocket losses with your attorney, from loss of employment to loss of wages because of time taken off from work to try to resolve the dispute. In addition, telephone charges, transportation, medical bills, and counseling services could all be part of your actual damages. Keep a record of all expenses related to the collection effort.

Make a log of all collection contacts with as many details as possible for each contact: time, date, company, caller, and what was said. Keep electronic communications like emails and text message. If possible, do not erase voicemail messages.

## For More Information

NCLC's *Surviving Debt* (available for a limited time [digitally to the public](#) [1] at no charge) can be purchased as a print book for \$20 including shipping at [www.nclc.org/bookstore](http://www.nclc.org/bookstore) [11]. In addition to the information found in this article, the book provides advice on:

- Dealing with Credit Card, Medical, and Student Loan Debts;
- Which Debts to Pay First;
- Essential Information about Credit Reports;
- Vehicle Repossessions and Utility Terminations;
- Dealing Effectively with Your Mortgage Servicer, Mortgage Loan Modifications, and Saving Your Home from Foreclosure;
- Property Taxes and Tax Sales;
- Evictions and Getting Out of a Lease;
- Defending Collection Lawsuits & Dealing with Wage Garnishments and Bank Account Seizures;
- Tax Debts and Debts Related to Criminal Law;
- When and Whether to File for Bankruptcy, and much more.

NCLC's *Fair Debt Collection*, available at [www.nclc.org/bookstore](http://www.nclc.org/bookstore) [11], is a comprehensive legal treatise on bringing federal and state legal claims against debt collectors. The Tenth Edition has just been released, including detailed discussion of the new Regulation F on the Fair Debt Collection Practices Act. The treatise's FDCPA Case Connector allows rapid identification of applicable cases among the 15,000 case summaries found on the site. Due to supply chain issues, the print book will be sent within several months to digital+print subscribers at no additional charge.

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**Source:** National Consumer Law Center, [], updated at [www.nclc.org/library](http://www.nclc.org/library)

**Source URL:** <https://library.nclc.org/consumer-advice-dealing-debt-collectors%E2%80%94including-new-federal-rules>

### Links

[1] <https://library.nclc.org/nclc/link/SD.01>

[2] <https://library.nclc.org/comprehensive-new-fdcpa-regulation-f-takes-effect-november-30>

[3] <https://library.nclc.org/nclc/link/FDC.01>

[4] <https://library.nclc.org/nclc/link/SD.21>

[5] <https://library.nclc.org/nclc/link/CA.14>

[6] <https://www.nmlsconsumeraccess.org>



[7] <https://www.nclc.org/survivingdebt>

[8] <https://www.consumerfinance.gov/complaint>

[9] <https://www.consumeradvocates.org/find-an-attorney>

[10] <https://www.lawhelp.org/find-help>

[11] <https://www.nclc.org/bookstore>