

FCC Must Resist Industry Pressure to Unleash Incessant Robocalls to Student Loan Borrowers and Their Relatives and Neighbors

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(WASHINGTON) Consumer advocates today urged the Federal Communications Commission (FCC) to turn down debt collection firms' request to reconsider recently enacted rules limiting robocalls and text messages to borrowers of federal student loans and other debt.

In a comment letter filed today with the FCC, 18 national and state consumer and legal aid organizations urged the FCC to protect consumers from a request by student loan servicers to reconsider the rules, which were approved in August 2016 with widespread support. Those signing the letter included the National Consumer Law Center on behalf of its low income clients, Consumers Union, Americans for Financial Reform, Center for Responsible Lending, National Center for Law and Economic Justice, National Legal Aid & Defender Association, Public Knowledge, and U.S. PIRG (see full list at end of release).

The FCC rules impose a limit of three robocalls or texts per month without consent for collection of debts owed to the federal government, counting every attempted call towards this limit. These sensible regulations recognize that incessant telephone calls are an invasion of privacy, constitute harassment, and come at a potential cost to consumers. The FCC last summer provided essential protections against unwanted calls while allowing a limited number of collection calls for federal debts, such as federal student loans.

In December, a group of federal student loan debt collectors, including Navient and Nelnet, formally requested that the FCC reconsider these rules. In their filing, the debt collectors indicated they want to be able to make robocalls to "every 'endorser, relative, reference, and entity'" in the consumer's file, and to be permitted to call wrong numbers with impunity. But granting the debt collectors' request would allow a potential tsunami of robocalls by these collectors. For example, Navient admitted to making 756 phone calls to one number, over 500 of which were made after they were asked to stop calling.

"The FCC's new leadership should not cave in to industry pressure and must make it clear that consumer protections are at the top of its priority list," said Margot Saunders, an attorney with the National Consumer Law Center.

Robocalls are a growing problem for consumers. In 2016, there were more 3.4 million complaints about robocalls made to the Federal Trade Commission (FTC), triple the level of complaints in 2010. More than half of those complaints were about calls that occurred after the consumer requested that the company stop calling.

The FCC regulation is consistent with the purposes of the Telephone Consumer Protection Act, a commonsense federal law restricting aggressive automated calls that was signed into law in 1991 by

President George H.W. Bush.

Debt collectors are urging the FCC to permit them to make unlimited attempted calls and text messages, with limits only on calls that reach the borrower. But consumer advocates explained that a limit only on live calls would fail to address the annoyance and invasion of privacy caused by robocalls.

In addition, consumer advocates also urged the FCC to retain the rule limiting unconsented calls only to the debtor, and not to permit calls to their relatives and neighbors. "The FCC should keep its rule barring incessant collection calls and the dissemination of personal, embarrassing information to friends, neighbors, co-workers, and employers," said Maureen Mahoney, policy analyst for Consumers Union, the policy and mobilization division of Consumer Reports. "A barrage of robocalls is not just annoying, it may push consumers to make payments to the loudest or most persistent debt collector just to end the harassment, even for debts they do not owe."

National Consumer Law Center filed the petition on behalf of its low-income clients and the following organizations: Consumers Union, Americans for Financial Reform, Center for Responsible Lending, Consumer Action, National Association of Consumer Advocates, National Association of Consumer Bankruptcy Attorneys, National Center for Law and Economic Justice, National Legal Aid & Defender Association, Public Knowledge, U.S. PIRG, North Carolina Justice Center, Public Good Law Center, Public Justice Center, Public Law Center, South Carolina Appleseed, Virginia Poverty Law Center, and Mountain State Justice.

Related links

- A Win for Consumers! FCC Limits Robocalls for Collectors of Federal Student Loan Debt, August 11, 2016
- Advocacy group letter to the FCC regarding essential principles of consumer protection that the FCC should adopt for calls to collect government debt, March 23, 2016
- Congress set to allow robocalls to cellphones, Oct. 27, 2015
- FCC protects consumers from unsolicited robocalls and texts to cell phone and moves to modernize Lifeline program, June 18, 2015

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Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. nclc-old.ogosense.net

Consumers Union is the public policy and advocacy division of Consumer Reports. Consumers Union works for health reform, food and product safety, financial reform, and other consumer issues in Washington, D.C., the states, and in the marketplace.