



What creditors need to know about new collection regulations.

Speaker: Mike Frost
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Sponsored By:
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Mike leads the firm's regulatory, compliance, and virtual general counsel services from the Cedar Falls office. He provides counsel, consultation, complex transactional and litigation defense services to collection agencies, law firms, credit reporting agency, data providers, creditors, venture capitalists, private equity, and various other businesses focused on the credit and collections industry.

Mike has vast experience in the Account Receivables Management (ARM) industry, having held various leadership and executive management roles. His unique experience and understanding of operational and technical aspects of the ARM businesses allows him to provide consultative services that are not available at most law firms.

Mike has represented companies through examinations and audits conducted by the Consumer Financial Protection Bureau, the Conference of State Bank Supervisors, and various other state regulatory agencies. He has also represented the industry and clients in lobbying efforts or on panels before the Federal Trade Commission, Federal Communications Commission, and on Capitol Hill.

Courts of Admittance:

Iowa Northern U.S. District Court Iowa Southern U.S. District Court

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Education:

Drake University Law School (J.D., 2004) University of Northern Iowa (B.A., 2001)

Memberships:

American Bar Association

Iowa State Bar Association

ACA International, Inc. – Board of Directors

Iowa Collectors Association – Board of Directors

Receivables Management Association International

Telecommunication Risk Management Association

What is Reg-F

The Consumer Financial Protection Bureau (CFPB) issued final debt collection rules that will become effective on November 30, 2021.

These rules are the first update to the Fair Debt Collection Practices Act since it was enacted in 1978

These rules do not supersede or alter requirements under various state laws or other federal requirements

What it Does

Requires debt collector to provide a summary itemization of the debt that it is attempting to collect

Places explicit limitations on how frequently a debt collector may communicate in connection with the debt

Provides framework on communications via email, text, and other “modern” communication platforms including social media messaging.

Itemization of Debt Requirements

Debt Collectors must inform the consumer of the “itemization date” which can be one of the following:

- Transaction Date (Date of service or discharge date)
 - This is a date that we recommend
- Last Payment Date
- Last Statement Date
- Charge-off Date
 - Date in which debt was “charged-off” to bad debt

Debt Collectors must provide the consumer with a breakdown of any payments, adjustment, interests, or fees applied to the account after the itemization date.

North South Group
P.O. Box 123456
Pasadena, CA 91111-2222
(800) 123-4567 from 8am to 8pm EST, Monday to Saturday
www.example.com

To: Person A
2323 Park Street
Apartment 342
Bethesda, MD 20815

Reference: 584-345

North South Group is a debt collector. We are trying to collect a debt that you owe to Bank of Rockville. We will use any information you give us to help collect the debt.

Our information shows:

You had a Main Street Department Store credit card from Bank of Rockville with account number 123-456-789.

As of January 2, 2017, you owed:	\$ 2,234.56
Between January 2, 2017 and today:	
You were charged this amount in interest:	+ \$ 75.00
You were charged this amount in fees:	+ \$ 25.00
You paid or were credited this amount toward the debt:	- \$ 50.00
Total amount of the debt now:	\$ 2,284.56

How can you dispute the debt?

- **Call or write to us by August 28, 2020, to dispute all or part of the debt.** If you do not, we will assume that our information is correct.
- **If you write to us by August 28, 2020,** we must stop collection on any amount you dispute until we send you information that shows you owe the debt. You may use the form below or write to us without the form. You may also include supporting documents. We accept disputes electronically at www.example.com/dispute.

What else can you do?

- **Write to ask for the name and address of the original creditor, if different from the current creditor.** If you write by August 28, 2020, we must stop collection until we send you that information. You may use the form below or write to us without the form. We accept such requests electronically at www.example.com/request.
- **Go to www.cfpb.gov/debt-collection to learn more about your rights under federal law.** For instance, you have the right to stop or limit how we contact you.
- Contact us about your payment options.
- Póngase en contacto con nosotros para solicitar una copia de este formulario en español.

Notice: See reverse side for important information.



Mail this form to:
North South Group
P.O. Box 123456
Pasadena, CA 91111-2222

Person A
2323 Park Street
Apartment 342
Bethesda, MD 20815

How do you want to respond?

Check all that apply:

- I want to dispute the debt because I think:
 - This is not my debt.
 - The amount is wrong.
 - Other (please describe on reverse or attach additional information).
 - I want you to send me the name and address of the original creditor.
 - I enclosed this amount: \$
- Make your check payable to *North South Group*. Include the reference number 584-345.
- Quiero este formulario en español.

Itemization (cont'd)

Itemization date must remain consistent throughout the debt collection process.

- If you engage in second placements, coordination among your partners is ensure the same itemization date is used throughout the life of the account in collection.

All transaction data between the itemization date and placement date must be sent in the placement file.

- Original Charges
- All payments and adjustments (insurance contractual, statutory, charity and other adjustments)

Credit Reporting

The new rules place additional restriction on credit reporting and prohibit credit reporting until debt collector has communicated with the consumer

- If the validation notice is returned for a bad address, the debt collector has not communicated with the consumer. Therefore, it is important to ensure that you continue to obtain updated demographic information from your consumer at every interaction.

Consumer Contact Restrictions

7 in 7 Rule: Only 7 call attempts may be made in a 7 consecutive day period. After a contact, must place 7 day hold on account.

Debt level restriction

Rebuttable Presumption of Compliance

Restriction does not include contacts via email, text, and other “modern” communication platforms including social media messaging. 15 USC 1692 (d)(5) still applies.

Limited-Content Message

Safe harbor protection if LCM is used. LCM is not a communication under the FDCPA.

CFPB did not address pre-recorded messages, so they are not included in the safe harbor.

Debt collectors name must not reveal that they are in the debt collection business.

Example: This is Robin Smith calling from ABC, Inc. Please contact me or Jim Johnson at 800-555-1212.



Contact Information



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