



January 12, 2017

CFPB RELEASES DEBT COLLECTION EXPERIENCE SURVEY, CONSUMER STORIES AND ONLINE DEBT SALES MARKET REPORT

On January 12, 2017 the CFPB released (i) a report on the results of a consumer survey of debt collection experiences, (ii) online videos of consumer debt collection stories and (iii) a white paper on risks in the online debt sales market.

The CFPB report, titled "Consumer Experiences with Debt Collection," presents the results of a survey conducted by the CFPB between December 2014 and March 2015. The CFPB sent out approximately 10,000 surveys and received responses from over 2,000 consumers. The CFPB reports the following key findings from the survey:

- Over one-in-four consumers report threatening contact.
- Past-due medical bills, credit cards and student loans were among the most frequently cited debts that were subject to collection.
- 53% of consumers who were contacted about a debt in collection indicated that the debt was not theirs, was owed by a family member or was for the wrong amount.
- 43% of consumers with a collection experience in the past year said they had asked at least one creditor to stop contacting them. One-in-four consumers who made this request reported that the contact stopped.
- Consumers feel it is important that other individuals not overhear a message about their debt, but want the person calling to include their name and purpose for the call in a voicemail.
- Consumers tend to take a more favorable view of creditors seeking to collect a debt than of debt collectors.
- Over one-third of consumers report being contacted at inconvenient times.
- Nearly 40% of consumers report that a debt collector attempted contact four or more times per week.
- One-in-seven consumers contacted about a debt report being sued.

In conjunction with the survey, the CFPB has released a set of videos of consumer debt collection stories. The CFPB will continue to release these stories and has requested that additional consumers share their debt collection experiences.

Lastly, the CFPB released a report on the online marketplace for charged-off consumer debt, titled "Market Snapshot: Online Debt Sales." The report is based on a review of 298 portfolios of charged-off debt. The CFPB expressed concern that the ease with which these debts are sold online increases the risk that consumer sensitive information such as social security numbers, addresses, names and telephone numbers, will be compromised. The report describes the types of accounts available through online marketplaces and an analysis of those debts. □

✧ *Chuck Gall and Emily Cellier*

DEALING WITH MULTISTATE DEBT COLLECTION COMPLIANCE? We routinely advise on collection-related activities and the regulated activities of creditors, third-party debt collectors, debt buyers and loan servicers. We also publish an easy-to-use reference that compiles state and federal laws governing debt collection practices. Our DEBT COLLECTION DIGEST is organized topically, includes the federal Fair Debt Collection Practices Act and Commentary for easy cross-reference, and covers autodialer and monitoring and recording statutes. **Contact us for details.**

Darrell L. Dreher
ddreher@dltlaw.com

Elizabeth L. Anstaett
eanstaett@dltlaw.com

Robin R. De Leo
robin@dreher-la.com

Susan M. Seaman
sseaman@dltlaw.com

Emily C. Cellier
ecellier@dltlaw.com

2750 HUNTINGTON CENTER
41 S. HIGH STREET
COLUMBUS, OHIO 43215
TELEPHONE: (614) 628-8000 FACSIMILE: (614) 628-1600
WWW.DTLAW.COM

To see previously sent ALERTS, visit our website at www.dtlaw.com

To decline future ALERTS, please contact us at ALERTS@DLTLAW.COM. This ALERT has been prepared for informational purposes only. It does not constitute legal advice and does not create an attorney-client relationship.

Michael C. Tomkies
mtomkies@dltlaw.com

Charles V. Gall
cgall@dltlaw.com

Judith M. Scheiderer
jscheiderer@dltlaw.com

Susan L. Ostrander
sostrander@dltlaw.com