



District Attorney's Office • 18th Judicial District

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Consumer Advisory

State Laws that Regulate Debt Collection Practices Separating Myth from Fact

Scare tactic scams are widespread, specifically callers purporting to be debt collectors and threatening arrest if the party refuses to immediately pay. By law, legitimate debt collectors have the right to call an actual debtor but must follow specific regulatory guidelines regarding what they can, or cannot say or do. Understanding these rules will help distinguish legitimate debt collectors from unethical ones, and/or flag an outright scam. In addition to arrest threats, other indicators of debt collector scams include refusal by the caller to provide information about whom you owe the debt, pressure to send payment immediately; and refusal to reveal their name or that of their company. Under the *Colorado Fair Debt Collector Practices Act* (FDCPA), debt collectors *must be licensed*, and must adhere to the following ethical practices:

- ❖ They cannot call before 8:00 am or after 9:00 pm
- ❖ They must reveal who they are within 60 seconds of determining they are talking to the intended debtor. At the request of the debtor/consumer, collectors must provide their name, address, company, phone number and professional license number.
- ❖ They cannot use vulgar or harassing language, and are restricted from annoying the caller by repeatedly calling. They are also restricted from contacting the alleged debtor at his/her place of employment if the debtor's employer objects.
- ❖ They cannot misrepresent themselves as anyone other than a debt collector, and they have no legal authority to conduct an arrest.

Likewise, if you do owe a debt, or are concerned about such allegations:

- ❖ Refrain from turning over any personal or financial information to the caller.
- ❖ Request a *validation note* in writing from the caller that includes creditor's name, debt amount, and the debtor's rights under FDCPA. Once received, contact the creditor to get more information, including the party authorized by the creditor to collect the debt.
- ❖ If owed a debt, you can put a stop to collection calls by writing to the collection agency, although they have the right to pursue your case through other means, and can only communicate through your attorney if you have one.
- ❖ For more information on the Colorado Fair Debt Collection Practices Act, or to file a complaint on a debt collector, contact the State Attorney General's Office at:

<https://www.stopfraudcolorado.gov/fraud-center/creditor-fraud/harassed-debt-collector.html>