

Disclaimer

The views expressed in this presentation are my own, and do not necessarily reflect the views of the Commission or any individual

Consumer Complaints

~204,644 consumer
complaints in 2013

- 192,211 complaints:
third party debt collection
 - 13,277 complaints:
creditor debt collection
- (some overlap btw categories)

Overview

1. FTC's Authority and Process
2. FTC's Enforcement Actions
3. FTC's Policy Initiatives & CFPB coordination
4. Predictions on FTC Future Initiatives

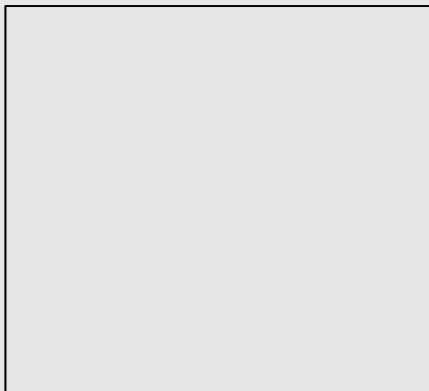
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Overview

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FTC Enforcement Actions

22 debt collection cases
since January 1, 2012



Monetary judgments totaling
more than \$180 million

FTC Enforcement Actions

³/₂ 2014: 10 cases

³/₄ Equitable Relief (National Check Registry, Federal Check Processing, William Scott & Associates, RTB Enterprises, Centro Natural, Cornerstone & Co., & Bayview Solutions)

³/₄ Civil Penalties (Credit Smart, Regional Adjustment Bureau, & Consumer Portfolio Services)

FTC Enforcement Actions

Equitable Relief

FTC v. National Check Registry
(w/ NYAG)

FTC v. Federal Check Processing

FTC v. William Scott & Associates

FTC Enforcement Actions

Allegations:

- False threats of arrests or lawsuits
- Posing as law firms/att'ys/gov.
- Claims that consumers have committed a crime
- Unsubstantiated claims that consumers owe debts

EquitableReliefcont'd:

FTQ.

FTC Enforcement Actions

Civil Penalties

United States v. Consumer
Portfolio Services

United States v. Regional
Adjustment Bureau

United States v. CreditSmart

Consumer Portfolio Services

Allegations:

- Unlawful calls (repeated; 3rd party; work; spoofing)
- Unauthorized debits
- False threats of car repossession

FTC Enforcement Actions

Regional Adjustment Bureau

Allegations:

- Unlawful calls (repeated to 3rd parties and putative debtors/ work)
- Unauthorized withdrawals (add'l amounts)

Order: total \$1.5mil civil penalty; conduct relief, etc.

CreditSmart

Allegations:

- Misrepresentations re lawsuits, wage garnishment, & arrest
 - Often regarding time barred debt
- Unsubstantiated claims re interest & debts

Order: \$1.2 million (suspended)

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FTC's Policy Initiatives

FTC's Policy Initiatives

Joint Amicus Brief in Hernandez (9th Cir.)

Issue: Do downstream collectors need to send a validation notice under 15 U.S.C. § 1692g?

Our position: Yes.

FTC's Policy Initiatives

Joint Amicus Brief in Sykes (2d Cir.)

FTC's Policy Initiatives

Joint Amicus Brief in Delgado (7th Cir.)

Issue: As a matter of law, can a letter offering a settlement to resolve a time-barred debt mislead the least sophisticated consumer into believing he could be sued for the debt?

The Seventh Circuit's conclusion (and FTC/CFPB's position): Yes.

FTC's Policy Initiatives

Joint Amicus Brief in Buchanan (6th Cir.)

Issue: Same as Delgado

Our position: Same as
Delgado.

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FTC's Future Initiatives

EGREGIOUS PRACTICES

NEW TECHNOLOGY

TARGETED/VULNERABLE POPULATIONS

DATA INTEGRITY

FTC Resources

FTC Business Center

³/₄[http:// business.ftc.gov](http://business.ftc.gov)

News Releases and Links to Debt Collection
Enforcement and Policy Materials

³/₄<http://www.ftc.gov/opa/reporter/finance/debtcollection.shtml>

