



**The Fair Credit Reporting Act
(FCRA)
and
the Fair Debt Collection Practices
Act (FDCPA)**

**Addressing Medical Debt:
Developing Best Practices for Providers and Patients
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The Fair Credit Reporting Act (FCRA)

- **Purpose**: To protect the privacy of credit report information and to guarantee that information supplied by consumer reporting agencies is as accurate as possible.
- **Consumer Reporting Agencies (CRAs)**: Databases – such as credit bureaus, medical information services, check verification services – that collect information to help businesses evaluate consumers.
- **“Furnishers”**: Information providers who report information about consumers to a CRA.
 - **“Regular furnishers”**: Furnishers who provide information to CRAs “regularly and in the ordinary course of their business.”



The Fair Credit Reporting Act (FCRA)

Responsibilities of Furnishers:

Section 623 of the FCRA, 15 U.S.C. § 1681s-2

1. General prohibition on reporting inaccurate information

Section 623(a)(1)(A) and Section 623(a)(1)(C)

- You may not furnish information that you know, or consciously avoid knowing, is inaccurate.
- Exemption: If you “clearly and conspicuously” provide consumers with an address for dispute notices. Still subject to duties after notice of a consumer dispute from a consumer.

2. Correcting and updating information

*Section 623(a)(2). *Only for regular furnishers.*

- Correct incomplete or inaccurate information, resubmit to each CRA, and report only correct information in the future.



The Fair Credit Reporting Act (FCRA)

3. Notice of a consumer dispute from a consumer

Section 623(a)(1)(B) and Section 623(a)(3)

- Once you have notice of a consumer dispute, you may not give that information to any CRA without also telling the CRA that the information is in dispute.
- If information is inaccurate, report only the correct information to CRAs in the future.

4. Notice from a consumer reporting agency

Section 623(b)

- Investigate the dispute and review all relevant information provided by the CRA about the dispute.
- Report your findings to the CRA.
- Provide any corrected information to all national CRAs that received the information.



The Fair Credit Reporting Act (FCRA)

4. Notice from a consumer reporting agency (continued)

- Time period for CRA to resolve the dispute:
 - normally 30 days after receipt of a dispute notice
 - 15 days more if consumer provides additional relevant information
- The CRA must give you all relevant information that it gets within 5 business days of receipt.
- If you do not investigate and respond within the specified time periods, the CRA must delete the disputed information from its files.

5. Reporting Voluntary Account Closings

*Section 623(a)(4). *Only for regular furnishers.*

- Notify CRAs when consumers voluntarily close credit accounts.



The Fair Credit Reporting Act (FCRA)

6. Reporting delinquencies

Section 623(a)(5)

- Within 90 days after you report information about a delinquent account that is placed for collection, charged to profit or loss, or subject to any similar action, notify the CRA of the month and the year of the commencement of the delinquency that immediately preceded your action.



The Fair Debt Collection Practices Act (FDCPA)

15 U.S.C. § 1692

- **Purpose**: Prohibits debt collectors from using abusive, unfair, or deceptive practices to collect from consumers if they are behind in paying their bills or a creditor's records mistakenly make it appear that they are.
- **Debt collector**: Someone who regularly collects debts owed to others. Includes collection agencies, lawyers who collect debts on a regular basis, and companies that buy delinquent debts and then try to collect them.
- **Types of debt**: Personal, family, and household debts, including money consumers owe on a personal credit card account, medical bill, mortgage, and auto loan.
 - The FDCPA does not cover debts consumers incurred to run a business.



The Fair Debt Collection Practices Act (FDCPA)

- **Communication**

- **Time and place:** A debt collector may not contact consumers at inconvenient times or places. Collectors may not contact consumers at work if they are told (orally or in writing) that they are not allowed to get calls there.
- **Ceasing contact:** If consumers decide they do not want the collector to contact them again, they may tell the collector in writing to stop contacting them.
- **Contacting others:**
 - Attorney representing consumer about the debt
 - Third parties – collectors may obtain a consumer's address, home phone number, and where the consumer works from other people
- **Notice:** A collector must send consumers a written validation notice within 5 days after they first contact them. The notice must include how much money they owe, the names of the creditors, and how to proceed if they don't think they owe the money.



The Fair Debt Collection Practices Act (FDCPA)

- **Prohibited conduct**

- Harassment or abuse
- False statements
- Misleading misrepresentations
- Unfair practices

- **Multiple debts**

- If a debt collector is trying to collect more than one debt from a consumer, the collector must apply any payment the consumer makes to the debt the consumer selects.
- A debt collector may not apply a payment to a debt the consumer doesn't think he or she owes.



The Fair Debt Collection Practices Act (FDCPA)

- **Enforcement**

- FTC enforces.

- In Academy Collection Services, company and its principal paid \$2.25 to resolve charges of violating FDCPA.

- **Civil Liability**

- Individual action

- Class action



Questions

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