Summary

The CFPB issued its final rule on debt collection on October 30, 2020. The rule amends Regulation F, 12 CFR Part 1006, which implements the Fair Debt Collection Practices Act (FDCPA). In general, the rule addresses: communications in connection with debt collection and prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection.

Effective Date

The rule is effective one year after publication in the Federal Register.

Authority & Scope

The final rule clarifies the provisions have been adopted pursuant to the CFPB’s FDCPA authority, not its UDAAP authority under the Dodd-Frank Act.

As a result, the provisions of the rule only apply to FCDPA-covered debt collectors and does not apply to the activities of so-called “first-party debt collectors” not subject to the FDCPA.

Key Provisions

The final rule establishes requirements related to conduct and consumer disclosures, including:

- Sets restrictions on the times and places at which a debt collector may communicate with a consumer, including by clarifying that a consumer need not use specific words to assert that a time or place is inconvenient for debt collection communications.
- Permits a consumer to limit debt collector communications by designating a particular method, such as email, as one that cannot be used for debt collection communications.
- Prohibits a debt collector from placing a telephone call to a person more than seven times within a seven-day period or within seven days after engaging in a telephone conversation with the person.
- Permits modern communication technologies, such as emails and text messages, to be used in debt collection, with certain limitations to protect consumer privacy and to protect consumers from harassment or abuse, false or misleading representations, or unfair practices.
  - Requires debt collector emails and text messages to include instructions for a reasonable and simple method by which a consumer can opt out of receiving further emails or text messages.
  - Provides a safe harbor from civil liability for an unintentional third-party disclosure if the debt collector follows specified procedures when communicating with a consumer by email or text message.
- Establishes a “limited-content message” and defines what information a debt collector must and may include in a voicemail message for the message to not to be considered a communication under the FDCPA, which would be subject to certain restrictions.
- Sets standards a debt collector must meet when sending the required disclosures in writing or electronically.

The final rule can be viewed here. The CFPB also released an executive summary and table of contents.