

Debt Collectors

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If you receive a notice from a debt collector, it's important to respond as soon as possible—even if you do not owe the debt—because otherwise the collector may continue trying to collect the debt, report negative information to [credit reporting companies](#), and even sue you.

If you get a summons notifying you that a debt collector is suing you, do not ignore it—if you do, the collector may be able to get a default judgment against you (that is, the court enters judgment in the collector's favor because you didn't respond to defend yourself). The debt collector could then garnish your wages and bank accounts, meaning it could take money from your paycheck or accounts. Make sure you respond by the date stated in the court papers so you can defend yourself in court. If you are sued, you may want to [consult an attorney](#).

The law protects you from abusive, unfair, or deceptive debt collection practices. Here is information about some common debt collection issues:

- [Disputing a Debt](#): What to do if a debt collector contacts you about a debt that you do not owe, that is for the wrong amount, or that is for a debt you already paid.
- [Harassment and Call Restrictions](#): Common things debt collectors are and are not allowed to do.
- [Debt Collector Contacting Your Employer or Other People](#): Debt collectors are only allowed to contact your employer or other people about your debt under certain conditions.
- [Interest and Other Charges](#): Information about interest and fees that debt collectors may charge on your debt.
- [Credit Reporting](#): What debt collectors may report to credit reporting companies.

- [Old \(Time-Barred\) Debts](#): Debt collectors may not be able to sue you to collect on old (time-barred) debts, but they may still try to collect on those debts.
- [Collectors Taking Money from Your Wages, Bank Account, or Benefits](#): When collectors can and cannot garnish your wages or benefits.
- [Other Resources](#): Learn more about debt collection issues.
- [Reporting a Complaint](#): Report a complaint if you believe a debt collector has violated the law.

Disputing a Debt

It is important that you respond as soon as possible if a debt collector contacts you about a debt that you do not owe, that is for the wrong amount, that is for a debt you already paid, or that you want more information about. Make sure you respond in writing to dispute the debt. If you don't, the debt collector may keep trying to collect the debt from you and may even end up suing you for payment.

Within five days after a debt collector first contacts you, it must send you a written notice, called a "validation notice," that tells you (1) the amount it thinks you owe, (2) the name of the creditor, and (3) how to dispute the debt in writing. Don't give a debt collector any personal or financial information until it sends you this validation notice—it may be a scam.

Make sure you dispute the debt in writing within 30 days of when the debt collector first contacted you. If you do so, the debt collector must stop trying to collect the debt until it can show you verification of the debt. You should dispute a debt in writing if:

- You do not owe the debt;
- You already paid the debt;
- You want more information about the debt; or
- You want the debt collector to stop contacting you or to limit its contact with you.

For sample dispute letters, see the CFPB's "[What should I do when a debt collector contacts me?](#)" If you have already paid the bill that the debt collector is trying to collect, include that explanation in your letter and send copies (but not originals) of any receipts, canceled checks, or other information you have to show that you already paid the bill. Send the dispute letter by certified mail with a return receipt, and keep a copy of the letter and receipt.

For more information, see the FTC's ["Don't recognize that debt? Here's what to do"](#).

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Harassment and Call Restrictions

Debt collectors cannot harass or abuse you. They cannot swear, threaten to illegally harm you or your property, threaten you with illegal actions, or falsely threaten you with actions they do not intend to take. They also cannot make repeated calls over a short period to annoy or harass you.

Debt collectors cannot make false or misleading statements. For example, they cannot lie about the debt they are collecting or the fact that they are trying to collect debt, and they cannot use words or symbols that falsely make their letters to you seem like they're from an attorney, court, or government agency.

Debt collectors cannot call you at unusual or inconvenient times or places. Generally, they may call between 8 a.m. and 9 p.m., but you may ask them to call at other times if those hours are inconvenient for you.

Debt collectors may send you notices or letters, but the envelopes cannot contain information about your debt or any information that is intended to embarrass you.

You may ask a debt collector to contact you only by mail, or through your attorney, or set other limitations. Make sure you send your request in writing, send it by certified mail with a return receipt, and keep a copy of the letter and receipt. You also have the right to ask a debt collector to stop contacting you entirely. If you do so, the debt collector can only contact you to confirm that it will stop contacting you and to notify you that it may file a lawsuit or take other action against you. Remember that if you ask a debt collector to stop contacting you entirely, it may still sue you and may still report your debt to credit reporting companies, which will likely hurt your credit.

For information about when a debt collector can contact your employer or other people, see [Debt Collector Contacting Your Employer or Other People](#).

Debt Collector Contacting Your Employer or Other People

Employers

Debt collectors may contact your employer but only:

- To verify your employment;
- To get your location information;
- To garnish your wages (that is, taking payment from your paycheck), but only after it sued you and a court entered a judgment against you;
- If the debt is a medical debt, to find out whether you have medical insurance; or
- You or your attorney agreed in writing that the debt collector may contact your employer.

A debt collector may call your employer once to verify your employment. Healthcare providers and their agents may also call your employer to find out if you have medical insurance. Otherwise, the debt collector must contact your employer in writing. If the collector receives no response to its written contact within 15 days, it may then call or otherwise contact your employer.

Other People

Generally, a debt collector cannot contact your family, neighbors, or other people about your debt unless:

- The debt collector is doing so to get your location information;
- A court has given the debt collector permission to do so;
- If, after the debt collector sued you and a court entered judgment against you, it is reasonably necessary to contact other people to effectuate the judgment; or
- You or your attorney agreed in writing that the debt collector may contact other people.

A debt collector can contact your spouse. A debt collector can contact your parents or guardian if you are under 18 years old or live with them. A debt collector can also contact your attorney and, if otherwise allowed by law, credit reporting companies (Equifax, Experian, and TransUnion) about your debt.

For more information about debt collection restrictions, see [Harassment and Call Restrictions](#).

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Interest and Other Charges

Debt collectors may collect interest, fees, charges, or other expenses to your debt only if they are expressly authorized by the agreement creating the debt or are otherwise permitted by law. If you ask, the debt collector must tell you how much it is charging you and why. To do so, send a letter to the debt collector asking for an explanation in writing. For a sample letter requesting information about a debt, see the CFPB's ["What should I do when a debt collector contacts me?"](#)

You may also [consult an attorney](#) to find out whether the debt collector is charging you more than allowed by law or by the agreement creating the debt.

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Credit Reporting

Debt collectors may report your debt to credit reporting companies, which put together credit reports that creditors use when deciding whether to give you credit. However, debt collectors cannot report *false* information about your debt. If you [dispute a debt](#) in writing with a debt collector, that debt collector must tell

any credit reporting company that it has reported your debt to that you dispute the debt.

For more information on credit reporting, see [Credit Scores and Credit Reports](#).

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Old (Time-Barred) Debts

Debt collectors may not be able to sue you to collect on old (time-barred) debts, but they may still try to collect on those debts. In California, there is generally a four-year limit for filing a lawsuit to collect a debt based on a written agreement. However, it may be hard to figure out when the clock on that period starts to run or can be restarted (for example, a partial payment of the debt may restart the clock), and a debt collector that is time-barred from suing you may still send you collection notices, call you to try to get you to pay, or report your debt to credit reporting companies. If you think your debt may be time-barred, you may want to [consult an attorney](#).

For more information on time-barred debts, see the FTC's "[Time-Barred Debts](#)".

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Collectors Taking Money from Your Wages, Bank Account, or Benefits

Debt collectors can only take money from your paycheck, bank account, or benefits—which is called garnishment—if they have already sued you and a court entered a judgment against you for the amount of money you owe. The law sets certain limits on how much debt collectors can garnish your wages and bank accounts. Certain federal benefits, such as social security benefits and veterans'

benefits, generally cannot be garnished. For more information about garnishment and what you can do if your bank account or benefits are garnished, see the FTC's ["Garnishing Federal Benefits"](#).

If you get a summons notifying you that a debt collector is suing you, don't ignore it. If you do, the collector may be able to get a default judgment against you (that is, the court enters judgment in the collector's favor because you didn't respond to defend yourself) and garnish your wages and bank account. If you are sued by a debt collector, you may want to [consult an attorney](#) to discuss your options.