

Debt Collectors Sock It To Consumers

Debt collectors are getting desperate and dirty.

Harassing phone calls, abusive language and physical violence are becoming a bigger part of business as debt collectors struggle to round up money from people who don't have it.

"The American consumer is really hurting and collectors are having to fight harder to get money," said Robert Andrews, a senior analyst specializing in the debt industry at research firm IBISWorld.

Complaints of harassment by debt collectors surged 50% to 67,550 last year, according to the Federal Trade Commission. And they are on track to jump 13% this year, based on the number of FTC complaints filed in the first six months.

The No. 1 complaint is repeated calls, and it is not uncommon for collectors to bombard consumers with back-to-back calls for days, weeks, months and even years.

When debt collectors finally get someone on the other end of the phone, they are more likely to use nastier language. Complaints of debt collectors using obscene or abusive language spiked 35% last year.

A 55-year old New York woman, who asked to remain anonymous, said a collection agent called her home repeatedly, personally attacking her and her husband. When she refused to answer the phone, the collector called her estranged sister, an ex-boyfriend and her husband's ex-wife's mother.

"This guy was out of his mind and he kept calling and calling, telling me 'you better talk to me, you deadbeat,'" she said. "He was very threatening and the whole thing was just really unsettling -- it made you wonder who was going to show up at your door."

She had reason to worry, since complaints of debt collectors threatening -- or actually using -- violence more than doubled last year, to 2,517.

Keary Floyd, an attorney who represents consumers at the Floyd Legal Firm in Atlanta, said that while most of his debt collection cases involve excessive phone calls, one of his recent clients recorded a disturbing phone conversation where a debt collector threatened that he or someone else would

come to the client's house to get the money in any way that he could.

"I heard it, and if any phone call was going to worry someone, it would be that one," said Floyd.

Other aggressive tactics that are becoming more common are debt collectors calling before 8 a.m. or after 9 p.m., demanding more money than what is owed, revealing a consumer's debt to a third party or threatening "dire consequences" like prosecution, jail time, property seizure or job loss.

These practices are not just inappropriate, but they are illegal under the FTC's Fair Debt Collection Practices Act, which has been around since 1977.

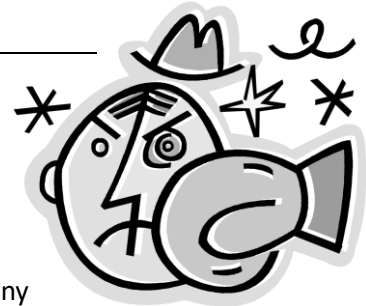
An industry representative said the increase in complaints of harassment should not only be attributed to desperate and aggressive collecting agents, but to more consumers trying to cash in on lawsuits.

"Certainly if debt collectors are being more aggressive, they shouldn't be, but it's not fair to characterize the actions of debt collectors as the only reason why there is an increase in complaints -- they're not fully to blame," said Mark Schiffman, a spokesman for The Association of Credit and Collection Professionals.

"There's a growing industry of consumer attorneys and savvy consumers who have learned that they can sue a debt collector fairly easily and collect very easily," he added.

Consumers are able to take a collector to state or federal court for harassment, according to the FTC. If the debtor wins the case, the collector is required to pay for any damages caused by the harassment, such as lost income and medical bills.

Even if debtors can't prove monetary damages but are able to prove harassment, they can receive up to \$1,000 and are reimbursed for the court and attorney fees.



Questions for Discussion *(type your responses, 50 words each)*

1. What is the main point of this article? How is this helpful information to know? EXPLAIN.
2. What did you learn from this article? What did it make you think about? How does this relate to what we've been discussing in class? EXPLAIN.