



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

February 18, 2022

The Honorable Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street, N.W.
Washington, D.C. 20552

Dear Director Chopra:

We received your January 5, 2022, letter requesting an update from the Federal Trade Commission's (FTC or Commission) Bureau of Consumer Protection regarding activities covering the debt collection market during 2021. As the letter mentions, the Consumer Financial Protection Bureau (CFPB) is responsible for providing annual reports to Congress concerning the federal government's efforts to implement the Fair Debt Collection Practices Act (FDCPA).¹ This letter and its appendix describe the efforts the FTC has taken during the past year in the debt collection arena. In the FTC's debt collection work, the CFPB has been a valuable partner. We hope that the information in this letter will assist the CFPB in preparing this year's report.

In 2021, the Commission continued to combat unfair, deceptive, and otherwise unlawful debt collection practices with its law enforcement activities. Among other things, the FTC:

- resolved 3 FDCPA cases against 17 defendants;²
- banned 17 companies and individuals who engaged in serious and repeated violations of law from ever working in debt collection again;³
- filed amended complaints in two enforcement actions alleging unlawful debt collection practices against small businesses; and
- issued more than \$4.86 million in refunds to consumers.

¹ The Dodd-Frank Act directed the CFPB to report to Congress on the federal government's implementation and administration of the FDCPA. Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), Pub. L. 111-203, § 1089, 124 Stat. 1376, 2009-93 (2010) (amending the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692-1692p). Before the enactment of the Dodd-Frank Act, Section 815(a) of the FDCPA, 15 U.S.C. § 1692m, required the FTC to report directly to Congress on these topics. The Commission submitted such annual reports from 1977 to 2011.

² These figures include cases filed in previous years but resolved in 2021.

³ In 2015, the FTC began publishing a list of every individual and company that the agency has sued that has been banned from the debt collection industry. This list, located at <https://www.ftc.gov/enforcement/cases-proceedings/banned-debt-collectors>, is a valuable resource to help law-abiding collection industry professionals avoid doing business with these defendants, as well as to help state debt collection licensing officials and law enforcers better protect consumers. Currently, the list includes 225 banned individuals and companies.

The FTC’s debt collection program includes law enforcement, public outreach, and cross-agency coordination.⁴

I. LAW ENFORCEMENT ACTIVITIES

Both the FDCPA and the FTC Act⁵ authorize the Commission to investigate and take law enforcement action against debt collectors that violate those statutes.⁶ From January 1 through December 31, 2021, the FTC resolved three FDCPA cases. The Commission also continued litigation in two enforcement actions addressing unlawful debt collection practices against small businesses. Finally, the FTC issued refunds totaling about \$4.86 million to consumers in three FDCPA matters.

A. Operation Corrupt Collector

In 2020, the Commission led a coast-to-coast law enforcement crackdown called Operation Corrupt Collector, focusing on “phantom debt collection”—the practice of coercing consumers to pay debts that either do not exist or that they do not owe—and other egregious debt collection practices. The FTC coordinated with three other federal agencies and partners from 16 states, leading to more than 50 actions brought nationwide.⁷ Three of those law enforcement actions, initiated by the Commission, were resolved in 2021: (1) *National Landmark Logistics*, (2) *Absolute Financial Services*, and (3) *Critical Resolution Mediation*. These cases illustrate the financial harm that occurs when bad actors mishandle consumers’ personal information.⁸

In 2021, the FTC resolved the *National Landmark Logistics* matter after securing a temporary restraining order in July 2020 that immediately halted defendants’ illegal practices and appointed a receiver.⁹ The complaint alleged that National Landmark Logistics, four related companies, and three individuals were involved in an illegal debt collection scheme, which included pressuring consumers to pay debts they did not actually owe or that the defendants had no right to collect.¹⁰ The defendants typically used robocalls to leave deceptive messages that people were subject to an audit or proceeding or would be served with papers at home or at

⁴ This past year’s work built upon and expanded the FTC’s ongoing crackdown on unlawful debt collection practices. Since January 1, 2010, the FTC has sued more than 349 companies and individuals who engaged in unlawful collection practices, banning 218 from the industry and securing more than \$620.3 million in judgments.

⁵ FDCPA, 15 U.S.C. § 1692–1692p; FTC Act, 15 U.S.C. §§ 41–58.

⁶ The FDCPA authorizes the Commission to investigate and take law enforcement action against debt collectors that engage in unfair, deceptive, abusive, or other practices that violate the statute. FDCPA § 814, 15 U.S.C. § 1692l. Under the FTC Act, the FTC may investigate and take law enforcement action against entities that, in connection with collecting on debts, engage in unfair or deceptive acts and practices. FTC Act § 5, 15 U.S.C. § 45.

⁷ Press Release, Operation Corrupt Collector cracks down on illegal debt collection tactics (Sept. 29, 2020), <https://www.ftc.gov/news-events/press-releases/2020/09/ftc-state-federal-law-enforcement-partners-announce-nationwide>.

⁸ The FTC’s other work to protect consumers’ personal information can be found in the annual Privacy and Data Security Update. See, e.g., Reports, *Federal Trade Commission 2020 Privacy & Data Security Update*, https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-2020-privacy-data-security-update/20210524_privacy_and_data_security_annual_update.pdf.

⁹ *FTC v. National Landmark Logistics LLC et al.*, 0:20-cv-02592-JMC (D.S.C. July 17, 2020) (Order).

¹⁰ *FTC v. National Landmark Logistics LLC et al.*, 0:20-cv-02592-JMC (D.S.C. July 13, 2020) (Complaint); *FTC v. National Landmark Logistics LLC et al.*, 0:20-cv-02592-JMC (D.S.C. July 13, 2020) (Memo ISO Motion for TRO).

work. When consumers returned the call to find out more, the defendants falsely claimed to be from a mediation or law firm, and that the consumer was delinquent on a debt. In many instances, collectors threatened consumers with legal action unless they made an immediate credit or debit card payment. To make the pitch seem more believable, collectors often had (or claimed to have) personal information about the supposed debtor, such as their Social Security number, credit card or bank account numbers, or family members' contact information. The FTC negotiated two settlement orders to resolve the matter against all eight defendants, including permanently banning the companies and individuals from the debt collection industry. The February¹¹ and September¹² 2021 orders included joint and several monetary judgments of \$16,418,306 and \$12,098,760, respectively, which were partially suspended due to inability to pay. The defendants are required to turn over the contents of numerous bank accounts to the FTC.

The FTC also resolved a companion action, *Absolute Financial Services, LLC*, in which the Commission similarly obtained a temporary restraining order and receivership appointment.¹³ The complaint charges that Absolute Financial Services, two related companies, and two individuals collected millions from consumers, using National Landmark Logistics to place deceptive robocalls on their behalf.¹⁴ The prerecorded messages claimed that people would be served with important papers or face legal action or audits if they did not respond. The FTC alleged that once people called back, the defendants' collectors falsely claimed to be representatives of law firms or mediation companies. According to the complaint, the collectors told consumers that they owed credit card or other debt and often threatened them with arrest if they did not immediately pay the debt. Using data from National Landmark Logistics, Absolute Financial Services collectors used consumers' personal information in an attempt to add an aura of truth to the false statements they made about purported debts. As with *National Landmark Services*, all five defendants are permanently banned from playing any role in the debt collection industry.¹⁵ Moreover, the March 2021 settlement imposed a monetary judgment of \$11,281,993, which was partially suspended due to inability to pay. The corporate defendants were required to turn over the contents of a number of bank accounts to the FTC, and one of the individual defendants was required to turn over \$10,000.¹⁶

¹¹ Press Release, Defendants in Two Phantom Debt Cases Will Be Banned from Debt Collection Industry In FTC Settlement (Mar. 15, 2021), <https://www.ftc.gov/news-events/press-releases/2021/03/defendants-two-phantom-debt-cases-will-be-banned-debt-collection>; *FTC v. National Landmark Logistics LLC et al.*, 0:20-cv-02592-JMC (D.S.C. Feb. 9, 2021) (Order).

¹² Press Release, Phantom Debt Collectors Permanently Banned from Industry in FTC Settlement (Dec. 13, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/12/phantom-debt-collectors-permanently-banned-industry-ftc>; *FTC v. National Landmark Logistics LLC et al.*, 0:20-cv-02592-JMC (D.S.C. Sep. 30, 2021) (Order).

¹³ *FTC v. Absolute Financial Services, LLC et al.*, 0:20-cv-02596-JMC (D.S.C. July 17, 2020) (Order).

¹⁴ *FTC v. Absolute Financial Services, LLC et al.*, 0:20-cv-02596-JMC (D.S.C. July 13, 2020) (Complaint); *FTC v. Absolute Financial Services, LLC et al.*, 0:20-cv-02596-JMC (D.S.C. July 13, 2020) (Memo ISO Motion for TRO).

¹⁵ Press Release, Defendants in Two Phantom Debt Cases Will Be Banned from Debt Collection Industry In FTC Settlement (Mar. 15, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/03/defendants-two-phantom-debt-cases-will-be-banned-debt-collection>; *FTC v. Absolute Financial Services, LLC et al.*, 0:20-cv-02596-JMC (D.S.C. Mar. 17, 2021) (Orders).

¹⁶ Because of her limited role in the operation, no monetary judgment was imposed against the other individual defendant.

A September 2021 settlement resolved the *Critical Resolution Mediation* action, in which the FTC alleged that defendants' agents threatened consumers with arrest and imprisonment and tried to collect debts that consumers did not actually owe.¹⁷ The collectors regularly posed as law enforcement officers, attorneys, mediators, or process servers when calling consumers, lending credence to their threats about supposed unpaid debts. In many cases, the defendants attempted to collect phantom debts.¹⁸ According to the complaint, the company's collectors threatened not only to arrest and jail consumers who refused to pay immediately, but also to garnish consumers' wages, revoke their drivers' licenses, or lower their credit scores. In addition, the collectors allegedly contacted consumers at their workplaces or notified their families about the supposed debt, shared consumers' personal information, and threatened serious legal consequences. The collectors allegedly used profane language with consumers who refused to pay or asserted their right to review information about the purported debts. The defendants also refused to provide information about the alleged debts as required under the FDCPA. The final order bans all defendants from the debt collection industry and imposes a monetary judgment of \$3,010,123.65, which was partially suspended based on inability to pay.¹⁹ Defendants were required to pay more than \$266,258.95.

B. Small Businesses

Protecting small businesses, in addition to individual consumers, is a high priority for the Commission.²⁰ Though generally outside the scope of the FDCPA, the FTC brings enforcement actions to address debt collection issues affecting small businesses under other statutory authority, including the FTC Act.

For example, in *RCG Advances*, the FTC sued two New York-based companies engaged in small business financing, along with several of their owners and officers. The June 2020 complaint alleged that the defendants deceived small businesses and other organizations by misrepresenting the terms of merchant cash advances they provided, and then used unfair collection practices, including sometimes threatening physical violence, to compel consumers to pay.²¹ The FTC also alleged that the defendants required businesses and their owners to sign confessions of judgment as part of their contracts, which allowed the defendants to go immediately to court and obtain an uncontested judgment in case of an alleged default.

¹⁷ Press Release, FTC Acts to Shut Down Unlawful Debt Collection Operation (Oct. 15, 2020), <https://www.ftc.gov/news-events/press-releases/2020/10/ftc-acts-shut-down-unlawful-debt-collection-operation>; *FTC v. Critical Resolution Mediation LLC et al.*, 1:20-cv-3932-JPB (N.D. Ga. Sept. 30, 2020) (Order).

¹⁸ *FTC v. Critical Resolution Mediation LLC et al.*, 1:20-cv-3932-JPB (N.D. Ga. Sept. 22, 2020) (Complaint).

¹⁹ Press Release, Bogus Debt Collectors Permanently Banned from Collections in FTC Settlement (Sep. 27, 2021), <https://www.ftc.gov/news-events/press-releases/2021/09/bogus-debt-collectors-permanently-banned-collections-ftc>; *FTC v. Critical Resolution Mediation LLC et al.*, 1:20-cv-3932-JPB (N.D. Ga. Aug. 10, 2021) (Order).

²⁰ In *Yellowstone Capital*, for example, a provider of merchant cash advances was ordered to pay more than \$9.8 million to settle charges that it took money from small businesses' bank accounts without permission and deceived them about the amount of financing business owners would receive and other features of its financing products. See Press Release, Cash Advance Firm to Pay \$9.8M to Settle FTC Complaint It Overcharged Small Businesses (Apr. 22, 2021), <https://www.ftc.gov/news-events/press-releases/2021/04/cash-advance-firm-pay-98m-settle-ftc-complaint-it-overcharged>.

²¹ Press Release, New York-Based Finance Companies Deceived Small Businesses, Non-Profits and Seized Their Personal and Business Assets, FTC Alleges (June 10, 2020), <https://www.ftc.gov/news-events/press-releases/2020/06/new-york-based-finance-companies-deceived-small-businesses>.

Defendants unlawfully and unfairly used these confessions of judgment to seize consumer personal and business assets in circumstances not expected by consumers and not permitted by the defendants' financing contracts. In June 2021, the Commission filed an amended complaint further alleging that defendants made multiple unauthorized withdrawals from small businesses' bank accounts, sometimes taking thousands of dollars more than the agreed repayment amount.²² The amended complaint also alleged that defendants violated the Gramm-Leach-Bliley Act by making false statements to induce consumers to provide their bank account information. The amended complaint seeks both monetary relief and civil penalties.²³

In another enforcement action pertaining to small businesses, *American Future Systems* (AFS), the FTC sued the operators of a Pennsylvania-based telemarketing scheme and a New York-based debt collection operation.²⁴ The May 2020 complaint alleged that the AFS telemarketers billed organizations such as businesses, schools, fire and police departments, and non-profits for books and newsletter subscriptions they never ordered. The telemarketers typically claimed that they would send two issues of a newsletter at "no risk," while enrolling the organization in a negative option program without its consent under which it was automatically invoiced for annual subscriptions to the newsletters. After six months, AFS forwarded unpaid bills for unwanted and unordered subscriptions to a debt collection firm, International Credit Recovery, Inc. (ICR). According to the complaint, ICR illegally threatened those organizations if they failed to pay for the unordered merchandise. ICR made representations during the collection process that failure to pay the debt would impact their credit rating or would result in legal action or referral to collections. In addition to AFS and ICR, the FTC's complaint names the sole owner of AFS, as well as ICR's two principals. In a January 2021 amended complaint, the Commonwealth of Pennsylvania joined the litigation as a co-plaintiff, adding claims under state law similar to those brought by the FTC in the original complaint.²⁵ The Court denied the defendants' motions to dismiss and for judgment on the pleadings, and rejected the debt collectors' argument that the FTC Act is limited to the collection of noncommercial debt.²⁶ Litigation is ongoing in this matter.

C. Consumer Refunds

In 2021, the Commission announced the distribution of approximately \$4.86 million in refunds to consumers who lost money in debt collection schemes.

The FTC and the Office of the Illinois Attorney General announced that more than 10,000 consumers who lost money to the *Stark Law* phantom debt collection scheme will be

²² Press Release, FTC Files Amended Complaint Seeking Civil Penalties Against Small Business Financing Providers (June 14, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/06/ftc-files-amended-complaint-seeking-civil-penalties-against-small>.

²³ *FTC v. RCG Advances, LLC et al.*, 20-cv-4432 (S.D.N.Y. June 10, 2021) (Amended Complaint).

²⁴ Press Release, FTC Files Complaint Alleging Telemarketers and Debt Collectors Worked Together To Bilk Organizations for Subscriptions and Books They Never Ordered (May 13, 2020), <https://www.ftc.gov/news-events/press-releases/2020/05/ftc-files-complaint-alleging-telemarketers-debt-collectors-worked>; *FTC v. American Future Systems, Inc. et al.*, 2:20-cv-02266 (E.D. Pa. May 13, 2020) (Complaint).

²⁵ *FTC v. American Future Systems, Inc. et al.*, 2:20-cv-02266 (E.D. Pa. Jan. 21, 2021) (Amended Complaint).

²⁶ *FTC v. American Future Systems, Inc. et al.*, 2:20-cv-02266 (E.D. Pa. Apr. 30, 2021) (Order); *FTC v. American Future Systems, Inc. et al.*, 2:20-cv-02266 (E.D. Pa. July 26, 2021) (Order).

receiving full refunds totaling more than \$4 million.²⁷ In 2016, the FTC partnered with Illinois to file this action against an operation for allegedly demanding immediate payments from consumers for supposedly delinquent loans, often armed with consumers' sensitive personal and financial information.²⁸ The defendants also allegedly threatened consumers with lawsuits or arrest; deceptively held themselves out as a law firm with authority to sue and obtain substantial judgments against consumers; and disclosed debts to consumers' relatives, friends, and co-workers. The complaint also charged these defendants with unlawfully selling portfolios of fake debt to other debt collectors in violation of the FTC Act. Defendants were ultimately banned from the debt collection business in a 2017 settlement.²⁹

Additionally, in *Hylan Asset Management*, the FTC returned \$772,512 to consumers who were targeted by a debt collector who unlawfully brokered and collected fake debts that the consumers did not owe.³⁰ In a 2018 action, the FTC and the New York Attorney General's Office charged Hylan Asset Management, LLC (Hylan) and Worldwide Processing Group LLC (Worldwide), as well as their principals and four related companies, with running a scheme to collect money from consumers on fake and unauthorized debts. The complaint alleged that Hylan bought, placed for collection, and sold portfolios of phantom debts, including debts that were fabricated or unauthorized by consumers. Hylan placed these phony debts for collection with several collection agencies, including Worldwide, which used illegal tactics to collect on them. Worldwide allegedly continued its collection efforts after consumers said they had never heard of the lenders and provided records to prove they owed nothing.³¹ The defendants agreed to settle the case in 2019 and surrendered funds to the FTC. The agency used that money to send refund checks averaging \$539 to 1,432 consumers.

In September 2021, the FTC announced that refund checks would be issued to 603 consumers who paid money they did not owe to a debt collector that used deceptive and abusive collection methods.³² In February 2020, the Commission and the New York Attorney General settled claims against Robert Heidenreich, the operator of a debt collection scheme in *Campbell*

²⁷ Press Release, FTC, Illinois AG Send More than \$4M to Consumers Affected by Stark Law Phantom Debt Scheme (Apr. 21, 2021), <https://www.ftc.gov/news-events/press-releases/2021/04/ftc-illinois-ag-send-more-4m-consumers-affected-stark-law-phantom>.

²⁸ *FTC v. Stark Law, LLC*, No. 1:16-cv-3463 (N.D. Ill. Mar. 21, 2016) (Complaint); see also Press Release, FTC and Illinois Attorney General Halt Chicago-Area Operation Charged with Collecting and Selling Phantom Payday Loan Debts (Mar. 30, 2016), <https://www.ftc.gov/news-events/press-releases/2016/03/ftc-illinois-attorney-general-halt-chicago-area-operation-charged>.

²⁹ *FTC v. Stark Law, LLC*, No. 1:16-cv-3463 (N.D. Ill. Oct. 27, 2017) (Orders); see also Press Release, FTC Settlements Ban Chicago-area Phantom Debt Collector from the Debt Collection Business and from Selling Debt Portfolios (Nov. 1, 2017), <https://www.ftc.gov/news-events/press-releases/2017/11/ftc-settlements-ban-chicago-area-phantom-debt-collector-debt>.

³⁰ Press Release, FTC Returns Money to Consumers Harmed By Phantom Debt Collector (Oct. 7, 2021), <https://www.ftc.gov/news-events/press-releases/2021/10/ftc-returns-money-consumers-harmed-phantom-debt-collector>.

³¹ *FTC and State of New York v. Hylan Asset Mgmt.*, No. 18-cv-00710 (W.D.N.Y. June 26, 2018) (Complaint); see also Press Release, FTC and New York Attorney General Act Against Phantom Debt Brokers and Collectors (June 27, 2018), <https://www.ftc.gov/news-events/press-releases/2018/06/ftc-new-york-attorney-general-act-against-phantom-debt-brokers>.

³² Press Release, FTC Sends Refund Checks to People Harmed by Abusive Debt Collector (Sep. 13, 2021), <https://www.ftc.gov/news-events/press-releases/2021/09/ftc-sends-refund-checks-people-harmed-abusive-debt-collector>.

Capital.³³ According to the October 2018 complaint, he and the companies he controlled lied to consumers about how much debt they owed and used illegal scare tactics. Defendants' employees often completed forms that showed they demanded more money than consumers allegedly owed, also known as "overbiffing." Some of defendants' collectors pretended to work for law enforcement agencies and threatened consumers with arrest. Other collectors falsely claimed to work on behalf of attorneys and falsely told consumers they would face lawsuits if they did not make a payment on an alleged debt.³⁴ In total, \$19,826.64 was sent to consumers, with each receiving a check for \$32.88.

In your letter, you mentioned the CFPB's concerns about the FTC's remedial authority given recent court decisions. Last year's Supreme Court ruling in *AMG Capital Management v. FTC*, 141 S.Ct. 1341 (2021) eliminated the Commission's ability to obtain monetary relief directly in federal court pursuant to Section 13(b) of the FTC Act. Post-*AMG*, although the Commission retains the ability to obtain monetary relief for violations of the FDCPA pursuant to Section 19 of the FTC Act, the ruling has made it much more difficult for the Commission to obtain monetary relief for unfair or deceptive debt collection practices that fall outside the scope of the FDCPA. The Commission has asked Congress to amend the FTC Act to restore the Commission's ability to obtain monetary relief under Section 13(b).³⁵ Such amendment will ensure, among other things, that the Commission can continue to efficiently and effectively pursue unlawful debt collection acts or practices that fall outside the scope of the FDCPA. We have also discussed this issue with CFPB staff, as you invited in your letter.

II. PUBLIC OUTREACH AND CROSS-AGENCY COORDINATION

Public Outreach. Consumer and business education and public outreach are also important parts of the Commission's debt collection program. The FTC uses multiple formats and channels to educate consumers about their rights under the FDCPA, as well as what the statute requires of debt collectors, and to inform debt collectors about what they must do to comply with the law. The FTC also engages in education and public outreach to enhance legal services providers' understanding of debt collection issues.

The Commission reaches tens of millions of consumers through English and Spanish print and online materials, blog posts, speeches, and presentations. To maximize its outreach efforts, FTC staff works with an informal network of about 6,200 community-based organizations and national groups that order and distribute FTC information to their members, clients, and constituents. In 2021, the FTC distributed 8 million print publications to libraries,

³³ Press Release, Operator of Fraudulent Debt Collection Scheme Settles With FTC, New York (Feb. 25, 2020), <https://www.ftc.gov/news-events/press-releases/2020/02/operator-fraudulent-debt-collection-scheme-settles-ftc-new-york>.

³⁴ *FTC v. Campbell Capital LLC et al.*, 1:18-cv-01163 (W.D.N.Y. Oct. 23, 2018) (Complaint); *see also* Press Release, FTC and New York Attorney General Sue Operators of Debt Collection Scheme (Nov. 1, 2018), <https://www.ftc.gov/news-events/press-releases/2018/11/ftc-new-york-attorney-general-sue-operators-debt-collection>.

³⁵ Testimony, Prepared Statement of the Federal Trade Commission: The Urgent Need to Fix Section 13(b) of the FTC Act (Apr. 27, 2021), <https://www.ftc.gov/public-statements/2021/04/prepared-statement-federal-trade-commission-urgent-need-fix-section-13b>.

police departments, schools, non-profit organizations, banks, credit unions, other businesses, and federal, state, and local government agencies. The FTC also logged more than 58.5 million views of its business and consumer education website pages in 2021. The FTC's channel at [YouTube.com/FTCvideos](https://www.youtube.com/FTCvideos) houses 393 business and consumer videos in English and Spanish. The videos were viewed more than 1.6 million times in 2021. The four business and consumer videos that address debt collection in English and Spanish were viewed a combined 37,283 times in 2021.³⁶ Additionally, the consumer blogs in English³⁷ and Spanish³⁸ reached 299,826 and 58,738 email subscribers, respectively, and regularly serve as source material for local and national news stories.

As part of its work to raise awareness about scams targeting the Latino community, the FTC has a series of fotonovelas (graphic novels) in Spanish. These graphic novels tell stories based on reports Spanish speakers make to the FTC and offer practical advice to help detect and stop common scams. The FTC distributed 10,625 copies of the *Cobradores de deuda* (Debt Collectors)³⁹ fotonovela in 2021. The FTC also uses infographics to attract readers' attention and convey educational messages with simple text and appealing graphics. The FTC's *Don't recognize that debt?* infographic⁴⁰ has been shared by state and local consumer protection agencies across the country to help consumers know their rights when contacted by debt collectors and to take protective steps if they are pressured to pay a debt they do not recognize. The colorful, easy-to-read infographic explains how to respond to a debt collection call, where to learn more, and how to report to the FTC. The infographic is included in the FTC's article *Fake and Abusive Debt Collectors*⁴¹ (*Cobradores de deudas falsos y abusivos* in Spanish),⁴² and was downloaded a combined 2,000 times in 2021.

The Commission also educates industry members by developing and distributing business education materials, delivering speeches, blogging, participating in panel discussions at industry conferences, and providing interviews to general media and trade publications. The FTC's business education resources can be found in its online Business Center.⁴³ The Business Center logged more than 7.5 million page views in 2021, and there are more than 111,700 email subscribers to the Business Blog. A complete list of the FTC's consumer and business education materials relating to debt collection, and information on the extent of their distribution, is set forth in Appendix A to this letter.

FTC staff also regularly meets with legal service providers, consumer advocates, and people who work in immigrant, Native American, Latino, Asian, and African American

³⁶ The video [Dealing with Debt Collectors](#) summarizes what debt collectors may and may not do, and how viewers can exercise their rights and report violations to the FTC; [Debt Collection](#) gives information for businesses that must comply with the FDCPA; [Debt Collection: Know Your Rights](#) summarizes consumer rights and encourages viewers to report problem calls to the FTC; [Fraud Affects Every Community: Debt Collection](#) describes a veteran's experience with abusive debt collection and the legal assistance that helped him get the case dismissed.

³⁷ Available at consumer.ftc.gov/blog.

³⁸ Available at consumidor.ftc.gov/blog.

³⁹ Available at bulkorder.ftc.gov/system/files/publications/spdf-0198-cobradores-de-dueda.pdf.

⁴⁰ Available at consumer.ftc.gov/sites/www.consumer.ftc.gov/files/corrupt_collector_infographic_508_v2.pdf.

⁴¹ Available at consumer.ftc.gov/articles/0258-fake-and-abusive-debt-collectors.

⁴² Available at consumidor.ftc.gov/articulos/s0258-cobradores-de-deudas-falsos-y-abusivos.

⁴³ Available at ftc.gov/tips-advice/business-center.

communities to discuss consumer protection issues, including the FTC’s work in the debt collection arena. For example, the FTC hosted three virtual Ethnic Media Roundtables in 2021, bringing together law enforcement, community organizations, consumer advocates and members of the ethnic media to discuss how consumer protection issues—including debt collection—affect their communities. FTC staff also convened listening sessions with legal service providers, consumer advocates, and local, state, and federal law enforcement personnel from seven states to learn about debt collection and other issues affecting people because of COVID-19.

Cross-Agency Coordination. The FTC continues to work closely with the CFPB to coordinate efforts to protect consumers from unfair, deceptive, and abusive debt collection practices.⁴⁴ As part of this coordination, FTC and CFPB staff meet to discuss ongoing and upcoming law enforcement, rulemaking, and other activities; share debt collection complaints; and cooperate on consumer education efforts in the debt collection arena.

In May 2021, the FTC and CFPB coordinated to send joint notification letters to the nation’s largest apartment landlords, which collectively own more than 2 million units, reminding them of their obligations under the national eviction moratorium put in place as a result of the COVID-19 pandemic.⁴⁵ The acting heads of the agencies urged landlords to make sure that they, and the debt collectors who work on their behalf, abide by their obligations under the FTC Act and the FDCPA.⁴⁶

The FTC also engages in regular coordination activities with other law enforcement partners at the federal, state, and local levels.

III. CONCLUSION

The Commission hopes that the information contained in this letter will assist the CFPB in preparing its annual report to Congress about its administration of the FDCPA. The FTC looks forward to continuing to cooperate and coordinate with the CFPB on consumer protection

⁴⁴ The Dodd-Frank Act directs the FTC and the CFPB to coordinate their law enforcement activities and promote consistent regulatory treatment of consumer financial products and services, including debt collection. *See* Dodd-Frank Act, Pub. L. 111-203, 124 Stat. 1376 § 1024(c)(3) (July 21, 2010). In January 2012, the FTC and CFPB entered into a memorandum of understanding (MOU) that supplements the requirements of the Dodd-Frank Act and creates a strong and comprehensive framework for coordination and cooperation. Memorandum of Understanding Between the Consumer Financial Protection Bureau and the Federal Trade Commission (Jan. 2012), <http://www.ftc.gov/sites/default/files/attachments/press-releases/federal-trade-commission-consumer-financial-protection-bureau-pledge-work-together-protect-consumers/120123ftc-cfpb-mou.pdf>. The agencies reauthorized the MOU in February 2019. *See* Press Release, FTC and CFPB Reauthorize Memorandum of Understanding (Feb. 26, 2019), <https://www.ftc.gov/news-events/press-releases/2019/02/ftc-cfpb-reauthorize-memorandum-understanding>; Memorandum of Understanding between the FTC and the CFPB (Feb. 25, 2019), https://www.ftc.gov/system/files/documents/cooperation_agreements/ftc-cfpb_mou_225_0.pdf.

⁴⁵ Press Release, FTC, CFPB Send Notice Letters to Landlords Regarding Pandemic Eviction Moratorium (May 3, 2021), <https://www.ftc.gov/news-events/press-releases/2021/05/ftc-cfpb-send-notice-letters-landlords-regarding-pandemic>.

⁴⁶ *See also* Press Release, Joint Statement by FTC Acting Chairwoman Rebecca Kelly Slaughter and CFPB Acting Director Dave Uejio (Mar. 29, 2021), <https://www.ftc.gov/news-events/press-releases/2021/03/joint-statement-ftc-acting-chairwoman-rebecca-kelly-slaughter>.

issues relating to debt collection. If any other information would be useful or if you wish to request additional assistance, please contact Malini Mithal, Associate Director, Division of Financial Practices, at (202) 326-2972.

By direction of the Commission.

April J. Tabor
Secretary

Appendix A

2021 Debt Collection Information

Consumer Information	Views		Print Orders	
Article	English	Spanish	English	Spanish
Coping with Debt	67,008	6,973		
Debt Collection FAQs	274,063	16,941	64,158	11,650
Debt Collectors (Fotonovela)				10,300
Debts and Deceased Relatives	99,568	98,590		
Fake and Abusive Debt Collectors	45,295	7,130		
Garnishing Federal Benefits *	18,446	3,063		
Getting Out of Debt	11,232	13	72,800	12,225
Identity Theft Letter to a Debt Collector	19,434	276		
Managing Debt (online)	996	10,506		
Managing Debt (print)			67,425	11,700
Settling Credit Card Debt	89,638	51,203		
Time-Barred Debts *	36,147	107,820		
What To Do if a Debt Collector Sues You	16,292	63		
Video				
Dealing with Debt Collectors	2,508	3,772		
Debt Collection: Know Your Rights	19,473	2,984		
Fraud Affects Every Community: Debt Collection	3,960			

Business Information	Views	
Article	English	Spanish
The Fair Debt Collection Practices Act	14,014	
Video		
Debt Collection	353	4,233

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*The contents of these articles were added to [Debt Collection FAQs](#) and the articles were discontinued in May 2021.