What Every School Needs to Know About NYC's New Debt Collection Regulations

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COHEAO
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More Education For More People

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This presentation is not legal advice regarding any specific situation, product, or service. Consult an attorney for specific legal guidance.

Note

1. Nothing I say today is intended to be legal advice or to describe how any specific legal requirement may apply to any specific situation.
2. I am *an* attorney, but nothing I say today will be said as *your* attorney.
3. I'm happy to share my general thoughts with anyone who's interested, but please consult with your attorney for any legal advice.

Contents

1. Why NYC's new debt collection regulation matter to schools
2. Overview of debt collection laws for schools and other creditors
   a. Definitions
   b. Federal v state laws
   c. Student-specific collection laws
3. What happened in NYC?

Terms used in this presentation:

1. I'm going to use the term "school" generically, to refer to post-secondary educational institutions.
2. I may also refer to schools as creditors or even debt collectors.
3. I may use the terms consumer, student, or debtor interchangeably as well. Students are consumers and, when they owe a debt, they are debtors.
4. If any distinctions among these terms is relevant, I will call it out.

Why NYC's new regulations matter to Schools

- NYC's new debt collection regulations already apply, and will continue to apply, to anyone who:

  > [R] egularly collects, or attempts to collect, directly or indirectly . . . debts owed or due or asserted to be owed or due to the person collecting or attempting to collect the debts.

- Schools that "regularly" collect "debts" are therefore subject to the NYC regulation.
- A debt is:

  > [A]ny obligation or alleged obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes.

- Importantly, the NYC regulation protects NYC consumers, regardless of a school's location.

Debt Collection Law Overview

- Students are sometimes obligated to make payments to postsecondary schools, and sometimes these payments are not made before they are due.
  - These payment obligations are often "debts"
  - Attempts to obtain payment of these debts from students may constitute "debt collection."
  - In some instances, a school's debt collection activity may legally be "debt collection" and the school may legally be a "debt collector."
  - In some instances, those payment obligations may also be "student loans" or "private education loans," in which case the school may me deemed "a student loan servicer."
- Each of these terms are legally defined under both federal and many states' laws, and the definitions are often very different.

Federal Debt Collection Law Overview

- The Fair Debt Collection Practices Act ("FDCPA") is the Federal law regulating debt collection practices by debt collectors. 15 USC §1692.
- The FDCPA typically does not apply to creditors, because it defines a "debt collector" as
  - "any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts **owed or due or asserted to be owed or due another**. (emphasis added).
- The FDCPA also expressly exempts from this definition:
  - "any person collecting or attempting to collect any debt owed or due or asserted to be owed or due another to the extent such activity . . . (ii) concerns a debt which was originated by such person; (iii) concerns a debt which was not in default at the time it was obtained by such person . . ."
- It also exempts:
  - "any officer or employee of a creditor while, in the name of the creditor, collecting debts for such creditor"

Federal Debt Collection Law Overview

"First Party" Debt Collection. Tuition payment plan example.

- A school that allows a student to pay their tuition over time is a creditor, so the school would generally not be a debt collector under the FDCPA when collecting the account, no matter how far past-due the debt is.
- If the payment plan was originated by a third-party on the school's behalf, that third-party can collect the debt without being deemed a debt collector because it originated the debt.
- A servicer that didn't originate the accounts but received the accounts for servicing, including delinquency servicing, before would also not be a debt collector, if it received the debts prior to "default."
- An entity that receives the accounts for collection after "default" would be a "debt collector" and is subject to the FDCPA.

- Important Note: A creditor who uses a "false name" to imply that a third-party is attempting to collect the debt **is a debt collector under the FDCPA and must comply with its requirements**.

Federal Debt Collection Law Overview

- The FDCPA imposes numerous obligations on debt collectors. Failure to comply can lead to regulatory action and private litigation. Obligations include:
  - Debt "Validation."
    - Debt collectors must notify debtors of their right to dispute the validity of the debt within 5 days of their initial communication with the consumer.
    - If validation is requested within the 30-day validation period, cannot continue collecting the debt until after it provides validation.
  - Must disclose the "mini-miranda" in communications.
    - "This is an attempt to collect a debt. Any information you provide will be used for this purpose."
  - False or misleading representations and harassment prohibited. Harassment includes making telephone calls:

    "at any unusual time or place or a time or place known or which should be known to be inconvenient to the consumer. In the absence of knowledge of circumstances to the contrary, a debt collector shall assume that the convenient time for communicating with a consumer is after 8 o'clock antemeridian and before 9 o'clock postmeridian, local time at the consumer's location"
  - Cannot disclose the debt to any third party (other than the creditor, a credit reporting agency, or the debtor's or debt collector's attorney).
  - Must comply with debtor's requests to "cease and desist" communications upon request or upon refusal to pay the debt.
  - Cannot communicate with the consumer if the debt collector knows that the consumer is represented by an attorney.

State Debt Collection Law Overview

- Many states have enacted their own debt collection laws. Some apply only to "third-party" debt collectors, while others apply to creditors as well.
- These state laws regulating creditors' collection activities have a range of requirements, but the most restrictive can be very similar to the FDCPA.
  - Provide various disclosures, including the "mini-miranda."
  - Limit the frequency, time, and content of debt collection communication.
  - Limit the use of email and other electronic communications methods.
  - Prohibit false or misleading communications, harassment, abuse, or unfair or deceptive acts or practices.

State Student Loan Servicing Laws

- Many states' student loan servicing laws also expressly regulate debt collection activities by servicers and debt collectors, and may require:
  - Servicers or collectors to obtain from the creditor specific documentation demonstrating the validity of the debt before starting debt collection
  - That collection correspondence provide specific information about the student loan debt to consumers
  - Specific borrower notices of the transfer of servicing of a student loan (including a delinquent student loan), and timing and requirements relating to the specific loan records that must be transferred, which may apply to the transferring and/and receiving servicer.
  - Restrictions and documentation requirements when filing a debt collection lawsuit.
- Schools offering installment payment plans should be aware of these collection and servicing requirements.

NYC's Amended Debt Collection Regulation

- NYC's debt collection regulations are already quite strict and already regulate creditors/schools' debt collection conduct.
- The new regulations go into effect on September 1, 2026.
- NYC's newly elected mayor, Zohran Mamdani, campaigned on reducing "junk" fees and otherwise protecting NYC consumers.
- He hired Sam Levine (formerly the head of the Federal Trade Commission's consumer protection division) to lead NYC's Department of Consumer and Worker Protection (DCWP). I think this means they're serious about these issues.
- They didn't waste any time.

Mayor Mamdani Signs Executive Orders to Crack Down on Junk Fees, Subscription Tricks and Traps and Save New Yorkers Money

January 5, 2026



https://www.nyc.gov/mayors-office/news/2026/01/mayor-mamdani-signs-executive-orders-to-crack-down-on-junk-fees-

NYC's Amended Debt Collection Regulation

DCWP Announces the Nation's Strongest Consumer Protection Rules Against Predatory Debt Collection

February 26, 2026

New York City's New SHIELD Rule Institutes a Strong Communications Restriction, Expands Consumers' Dispute and Verification Rights, and Offers First-of-its-kind Protections for Collection of Medical Debt

NEW YORK, NY–The New York City Department of Consumer and Worker Protection (DCWP) today announced the publication of new debt collector rules that provide New Yorkers with the strongest protections in the country against debt collector harassment. The Stopping Harassment and Intimidation and Ensuring Lawful Debt (SHIELD) Collection Rule goes beyond federal rules (**Fair Debt Collection Practices Act** and **Regulation F**) by allowing New Yorkers to dispute their debt at any time, further limiting the number of times debt collectors can contact individuals, and delivering first-of-its-kind protections related to the collection of medical debt.

"As the cost of living skyrockets and the federal government turns its back on working people, the SHIELD Rule protects New Yorkers from harassment, arms them with new rights to dispute debts, and cracks down on collecting illegal medical debt," said **DCWP Commissioner Sam Levine**. "New Yorkers deserve nothing less than the strongest protections in the nation, and that is what we are delivering."

https://www.nyc.gov/site/dca/news/022-26/dcwp-the-nation-s-strongest-consumer-protection-rules-against-predatory-debt-collection

NYC's Amended Debt Collection Regulation

- Important terms and definitions:
  - "**Debt collector**" means any person . . . who . . . regularly collects, or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due to another person, **or debts owed or due or asserted to be owed or due to the person collecting or attempting to collect the debts**. (emphasis added).
  - "**Debt collection procedures**" means "any attempt by any person, including an original creditor, to collect a debt after any of the following:
    - with respect to accounts for which creditors are required to send periodic statements, the creditor has ceased sending those statements, or taken or threatened to take legal action against the consumer;
    - with respect to 30-day accounts for which periodic statements are not required, the creditor has ceased sending bills for the debt or taken or threatened to take legal action against the consumer; or,
    - **with respect to all other types of credit, the creditor has accelerated the unpaid balance of the debt or demanded the full balance due**. (emphasis added)

NYC's Amended Debt Collection Regulation

- **Debt collection procedures** definition (continued):
  - This definition is important because certain requirements apply to creditors only after the creditor has initiated debt collection procedures.
  - The obligation to send periodic statements is defined in the regulation as referring to any applicable obligation to sending billing statements under the Truth In Lending Act, which generally applies only to open-end credit, such as credit cards.
  - A "30-day account" is "an account on which the outstanding balance at the end of a billing period is to be paid in full within a stated period of time without imposition of any finance charge."
  - For payment plans, the most likely definition of "debt collection procedures" is after the creditor has accelerated the unpaid balance of the debt or demanded the full balance due.
  - Again, consult your attorney to determine how these definitions may apply to any specific payment obligation.

NYC's Amended Debt Collection Regulation

- "**Pre-charge-off period**" means the time after:
  - the date of the last periodic statement, written account statement, or invoice, provided prior to the institution of debt collection procedures, or
  - the date the last payment was applied to the debt, and
- The pre-charge off period ends on the date the debt was charged off.
  - "charged off" is not a defined term but presumably refers to the school's accounting treatment of the debt.

NYC's Amended Debt Collection Regulation

Highlights

- Debt verification and validation:
  - Creditors must send a validation notice to consumers within 5 days after initiating collection efforts,
  - The regulations require disputes to be resolved within a specific timeframe
  - Requirements relating to debts for which verification is not provided.
- Itemization of debt.
  - Creditors must provide consumers with an itemization of the debt upon request or if disputed by the consumer.
- Call frequency limits.
  - Creditors may not attempt to communicate with a consumer about a debt more than 3 times in any 7-day period (note that certain communications are excluded).
- Electronic communications.
  - Establishes a detailed framework for permissible use of electronic methods of communicating with consumers for debt collection purposes.
- Statute of limitations.
  - Creditors must maintain "reasonable procedures" for determining whether the statute of limitations applicable to a debt has expired.
  - Significant disclosure and other requirements regarding any attempts to collect on such debts.
- Record creation and retention requirements.

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- Validation Notices.
  - A validation notice must be provided within 5 days after the initial communication in connection with the collection of a debt, unless the student has paid the debt or if such information was already clearly and conspicuously provided to the student.
  - Does not apply to any creditor that is not subject to the Federal Fair Credit Billing Act (which applies to open-end credit, such as credit and charge cards, and generally would not apply to a general past due balance, an institutional loan, or an installment payment plan):
  - An "itemization" of the debt must be provided "in a clear and conspicuous manner," and must include
    - If the amount of the debt changed during the "pre-charge-off period," the creditor must add a line for the amount of the debt as of the date of the last written notification sent to the consumer before the institution of debt collection procedures
    - If the amount of the debt changed after the institution of debt collection procedures or after a judgment was obtained, the itemization must include fields listing the basis of the consumer's obligation to pay any interest (including rates applied), cost or fee, and if such amount was added by the debt collector based on the consumer's agreement with the creditor or as allowed by law.
    - If there is no data for any required itemization field, the creditor must enter $0 rather than exclude that field from the itemization.
    - if the debt is "time-barred," a specific notice relating to time-barred debts is required.

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- Validation notices must also include:
  - The name of a natural person that the consumer may call back, who must "be able to address the consumer's questions about the validation notice and account during the [school's] normal business hours."
  - The telephone number that the student can call during the school's regular business hours, which must be answered by or routed to the natural person named in the validation notice for such purpose. If this person is unavailable to answer the student's call, the school may designate another individual for such calls, but "must document in the consumer's account the reason the callback person was unavailable, and that the designated representative spoke with the consumer in lieu of the callback person."
  - A statement of any language access services available.
  - A statement that "a Glossary of Common Debt Collection Terms and other resources are available in different languages at www.nyc.gov/dcwp."

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- The following disclosure must be included in the Verification Notice:

PLEASE READ: Information About Your Rights as a New York City Consumer

There is no time limit for a New York City consumer to dispute the debt in collection under New York City Law. You can let collectors know you dispute the debt using any of the ways they contact you, including by phone.

You must get a response to the disputed debt in 60 days. Once you dispute the debt, the collector must stop collection. Within 60 days after receiving your dispute, a debt collector must give you either 1) verification of the debt, or 2) a "Notice of Unverified Debt" stating it can't verify the debt or continue collection. Be sure to keep a copy of all letters.

Inform the debt collector if any charges arise from medical debt. If you have a low or limited income, you may be eligible to apply for help under a hospital's "Financial Assistance Policy." Medical debt cannot be reported on your credit report. Note: Medical debt does not include charges to a credit card unless the credit card is offered specifically for the payment of health care services, products, or devices.

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- Validation notices must be delivered by US mail or other delivery service.
  - Oral or electronic delivery is not sufficient, although a school may send a copy of the validation notice by any other communication methods, including by electronic mail, if permitted under the NYC debt collection regulations and if it is in accordance with other laws such as the E-Sign Act.
- If a school is attempting to collect a debt using a language other than English, it must provide the validation notice in such language and respond to any validation demands or disputes in such language.

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- Validation requests.
  - A consumer may dispute or request verification of a debt at any time orally, in writing, or electronically (if the creditor uses electronic communications to collect a debt).
  - If a creditor allows consumers to submit disputes or verification requests through a website, the website must automatically generate a copy of each written dispute or request for verification that the consumer can print, save, or have mailed to them. The consumer must not be required to waive any rights to use such an online submission option.
  - A creditor may not engage in any collection activities that "overshadow or are inconsistent" with the disclosure of the consumer's rights to dispute the debt and request the name of the original creditor.

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- Verification of the debt.
  - Upon receipt of a validation request or a dispute form a consumer, a creditor must send verification of the debt to the consumer not later than 60-days after receiving the first dispute or verification request.
    - A creditor cannot just send the verification information with the initial collection communication - verification may be sent only in response to the consumer's first dispute or verification request,
    - A copy of the creditor's verification must be re-sent to the consumer one additional time upon the consumer's oral or written request.
  - A creditor must cease collecting a disputed debt after receiving the first dispute or the first request for verification, "unless and until" the consumer receives verification of the debt.

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- Verification of a debt must include the following:
  - A copy of the debt document or original written confirmation evidencing the debt, including the signed contract or signed application that created the debt. If no signed document exists, a copy of a document provided to the consumer while the account was active demonstrating that the debt was incurred by the consumer is acceptable.
  - For "revolving" accounts, a charge-off account statement, the most recent monthly statement recording a purchase transaction, payment, or balance transfer, is sufficient.
  - The final account statement or charge-off statement, or other document that reflects the total outstanding balance alleged to owed, that was provided to the consumer on or before the charge-off date and prior to the institution of debt collection procedures.

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- Expanded Itemization.
  - If the dispute relates to any amount added to the total principal balance described in the itemization of the debt, the creditor must provide a detailed breakdown of:
    - each individual charge itemized in addition to the principal balance, interest (listing the rates applied), costs or fees, and
    - whether such amount was added to the debt based on the consumer's agreement with the creditor or otherwise as allowed by law.
  - This expanded itemization is considered to be part of the verification of the debt and is subject to all of the same requirements applicable to debt verification.

NYC's Amended Debt Collection Regulation

Debt Verification and Validation

- If a creditor fails to send the verification of debt within 60-days, it must mail a notice of unverified debt and may not resume collection unless and until it sends the verification of the debt.
- The notice of unverified debt must:
  - Include a statement that, despite having received a dispute or request for verification of the debt from the consumer, the creditor is unable to verify the debt within the time allowed by the New York City regulations.
  - That the creditor will cease further collection on the disputed debt unless and until verification of the debt is provided to the consumer and note this information clearly and conspicuously in the consumer's account records.
  - If applicable, that the creditor previously furnished information about the debt to a consumer reporting agency and that it will provide the disputed debt information to such agency to the extent not already provided, and that, upon request, provide a Notice of Unverified Debt to such agency.
  - A statement that the consumer should retain a copy of the Notice of Unverified Debt and that the consumer may provide such notice to any other debt collector that attempts to collect the debt.
  - A statement that under the laws of the City of New York, any other debt collector with the information on the Notice of Unverified Debt cannot resume collection activity in New York City until the verification of the disputed debt is provided to the consumer.
  - Clearly and conspicuously provide that such information and the Notice of Unverified Debt will transfer if the account is sold or placed with an attorney to sue on the debt.
  - Must be provided in writing by US Mail or other delivery service, in English and in any other language used to communicate with the consumer.

NYC's Amended Debt Collection Regulation

Electronic communications

- Electronic Debt Collection Communications.
  - An electronic communication includes electronic mail, text message, or instant message, and does not include telephonic or hard-copy communications.
  - Schools may not contact a student via electronic communication to collect a debt unless the following requirements are satisfied:
    - The means of communication is "private and direct to the consumer,"
    - The school obtained revocable consent directly from the consumer in writing, to use such means of communication about the specific debt, and the consumer has not revoked consent.
    - If the school is the original creditor, it obtained consent directly from the consumer to use the means of communication about the specific account prior to the institution of debt collection procedures, and such consent has not been revoked.
    - The consumer has used the means of communication to communicate with the school about a debt within the past 60-days and the consumer has not subsequently opted-out of communications to such means of communication, or from all electronic means of communication.
  - Notably, a school may use these communications methods without the student's written consent to obtain the consumer's written consent and if it does not engage in any efforts to collect the debt.

NYC's Amended Debt Collection Regulation

Electronic Communications

- Schools may not direct any electronic communication to a consumer at an email address or initiate any telephone call or text message to any telephone number, if the school knows or should know that it was provided to the consumer by the consumer's employer.
  - A creditor may do so if the student provides written revocable consent to the school to use a direct number provided by the student's employer as the student's preferred method of contact for the debt and such consent has not been revoked.
- A school may not communicate with a student on a social media platform about a debt without the student's consent to communicate via that specific platform and only if the communication is not viewable by anyone else other than the student (including the student's contacts on the social media site).

NYC's Amended Debt Collection Regulation

Communications

- Other notable requirements relating to communications:
  - A creditor may not communicate with a consumer through any medium that the consumer has requested that the creditor not use for communications.
  - A creditor may not communicate or attempt to communicate with a consumer regarding a debt after the consumer notifies the consumer that they wish the creditor to cease further communication with the consumer with respect to the debt.
    - A creditor has a "reasonable period of time" after receipt of such a request to honor it
    - the creditor may communicate one more time with the consumer in writing (or electronically), to notify the consumer that:
      - the creditor is terminating further collection efforts; or,
      - the creditor intends to invoke a specific remedy, if the consumer has not previously been provided with such notice.
  - A creditor may not communicate or attempt to communicate with the consumer, including by leaving 'limited content messages" with "excessive frequency."

NYC's Amended Debt Collection Regulation

Communications

- "Excessive frequency" includes all communications efforts, regardless of the communication method, and means:
  - More than 3 times in total during any 7-day period; or
  - any time after the consumer has responded to a prior communication in such 7-day period.
  - The 7-day period starts on the date of the first communication or attempt to communicate, including limited content messages.
  - If the creditor is collecting on multiple accounts, excessive frequency is calculated separately for each account.
- The following are not counted for the purpose of determining "excessive frequency":
  - Any "hard copy" communications sent by US mail or other delivery service.
  - Any communication initiated by the consumer or a response to a consumer's request for a communication or a response to an email that is "in the same email thread."
  - Any response to a consumer's communication that is "in the same live chat."
  - Undeliverable communications, such as unconnected calls or a "bounced email."
  - One initial communication made for the sole purpose of obtaining consent to communicate with the consumer electronically.
  - An original creditor's communications in the ordinary course of business that are unrelated to debt collection practices.

NYC's Amended Debt Collection Regulation

"False or misleading" communications

- "False or misleading" communications
  - "Mini-Miranda" required.
    - It is a "false or misleading" communication to fail to disclose clearly and conspicuously in all communications to collect a debt that the communication is an attempt to collect a debt and that any information obtained will be used for that purpose.
    - Note, however, that there are some exceptions to this requirement, such as when attempting to obtain a student's location information.
  - A school may not threaten to take any action that is not intended to be taken or that is illegal.
    - In other words, a school cannot threaten to sue a borrower, send an account to a collection agency, furnish negative information to a credit reporting agency, withhold a transcript, etc., *if the school does not actually plan to do so with respect to the specific debt at issue*.
    - And, of course, a school can't make threats to engage in any illegal actions.
  - A school may not use of any organization name other than it's "true name," unless the general public knows the school by another name and "to use the true name would be confusing."
    - Remember that this may also trigger the applicability of the FDCPA.

NYC's Amended Debt Collection Regulation

"False or misleading" communications

- Among the specifically prohibited false or misleading representations that are prohibited in NYC are:
  - Failing to clearly and conspicuously disclose, before any attempt to collect a debt, that the communication is being recorded and that the recording may be used in connection with the collection of the debt.
  - Falsely representing that the student cannot dispute the debt or request verification of the debt by oral communication or by any other communication medium that the school uses for debt collection purposes.
  - Falsely representing or omitting a student's language preference when selling or referring a debt for debt collection litigation, if the school knows or should know of such preference.

NYC's Amended Debt Collection Regulation

Time-barred debts

- Time-barred debts.
  - "Time barred" means that the time within which the student can be sued for the debt has elapsed.
    - In most, but not all, jurisdictions, a creditor can ask for payment on a time-barred debt.
    - While not illegal in NYC, the new regulations make it extremely difficult to try to collect on time-barred debts.
    - Determining the applicable limitations period can be complicated.
  - A creditor must maintain "reasonable procedures" for determining the statute of limitations applicable to a debt and whether such period has expired.
- Before seeking to collect on a that the creditor knows or has reason to know is time-barred, the creditor must deliver a notice of time-barred debt to the consumer by US mail (or other physical delivery).

NYC's Amended Debt Collection Regulation

Time-barred debts

- Notice of time-barred debts.
  THE TIME TO SUE ON THIS DEBT HAS EXPIRED.
  IF YOU ARE SUED ILLEGALLY:
  It is a violation of federal law (the Fair Debt Collection Practices Act).
  You may be able to stop the lawsuit by telling the court that the statute of limitations on this debt expired.
  You are not required to admit that you owe this debt, promise to pay this debt, or waive the statute of limitations on this debt.
  Note: If you make a payment on this debt, the creditors' right to sue you and make you pay the entire debt may start again.
  Consult an attorney or a legal aid organization to learn more about your legal rights and options
- The notice must also state that the debt collector is attempting to collect a debt and that any information obtained will be used for that purpose.
- If a validation notice has already been provided to the consumer, the notice of time-barred debt must offer to provide another copy of the validation notice.
- The notice of time-barred debt can be included with the debt validation notice.

NYC's Amended Debt Collection Regulation

Time-barred debts

- Waiting period.
  - A creditor must wait for at least 14 days after mailing a notice of time-barred debt and, during such time, monitor for notifications of undeliverability.
  - If a notification of undeliverability is received during the 14-day waiting period, the creditor may not contact the consumer by any other means of communication until the notice of time-barred debt is successfully delivered.
- Subsequent communications.
  - The time-barred debt disclosure must be included in every written communication with the consumer.
  - A creditor may not communicate with a consumer in connection with the collection of a time-barred debt "exclusively by telephone or by other means of oral or electronic communication," without prior written and revocable consent provided directly by the consumer to the creditor.
  - Unless otherwise permitted by law, during any oral communications with the consumer, the time-barred disclosure must be given the consumer, "the time-barred disclosure must be given to the consumer to reasonably inform the consumer of the expired debt, in a language the consumer understands." This includes discussing the amount of the debt.
  - After the initial time-barred debt notice is sent to the consumer, the creditor must redeliver the notice by US mail or other delivery service within 5-days after each oral communication with the consumer unless the creditor has already sent such notice within the past 30-days.

NYC's Amended Debt Collection Regulation

Record Retention

- Record Retention. Creditors must maintain records of compliance or noncompliance with the NYC debt collection regulations for each account being collected, starting on the date that collection activities begin and until 3 years after the creditor's last collection activity on the debt.
- The records must include monthly logs or a record of:
  - All consumer complaints sent to the creditor by a consumer, including complaints sent by a non-profit or government agency, including (A) the date of the complaint; (B) the consumer's name and account information; (C) a summary of the complaint; (D) the response (if any); and (E) the current status of the complaint.
  - All disputes and verification requests made by consumers, including (A) the date of the complaint; (B) the consumer's name and account information; (C) a summary of the complaint; (D) the response (if any); and (E) the current status of the complaint.
  - All cease communications requests made by consumers, including (A) the date of the request; (B) the consumer's name and account information; and (C) the date and purpose of any further communications with the consumer after receipt of the request.
  - Monthly logs may be combined into a single document, including the DCWP's template available online at www.nyc.gov/dcwp.

NYC's Amended Debt Collection Regulation

Public Websites

- Public websites.
  - A creditor that utilizes, maintains, or refers New York City consumers to a "website accessible to the public that relates to debts for which debt collection procedures have been instituted" must clearly and conspicuously disclose on the "homepage" of such website, or a page directly accessible from a link on such homepage, labeled "**NYC Rules on Language Services and Rights**" and containing:
    - a statement of any language access services the creditor has available; and
    - that a Glossary of Common Debt Collection Terms and other resources are available in different languages at www.nyc.gov/dcwp.

NYC's Amended Debt Collection Regulation

After initiation of debt collection procedures

- Creditor obligations that apply only after to the initiation of Debt Collection Procedures
  - Creditors may not engage in any unfair or unconscionable debt collection practices, including:
  - Collecting any amount that is not "expressly authorized by the agreement creating the debt or permitted by law."
  - Soliciting a postdated check or payment instrument for the purpose of threatening or instituting criminal prosecution.
  - Causing charges to be made to communications by misrepresenting the true purpose of the communication (i.e., text messages, mobile phone data fees, collect telephone calls, etc.).
  - Taking or threatening to take any nonjudicial action to repossess or disable property if there is no present right to take such action or if the creditor does not presently intend to take such action.
  - Using any language or symbol in a debt collection communication other than the creditor's address on any envelope or otherwise indicating that the creditor in engaged in debt collection, except that the creditor may use their business name or department name if they do not "connote" debt collection.
  - Except where expressly permitted by federal state or local law, communicating with a consumer without disclosing the creditors name.
  - Applying a consumer payment to a disputed debt or disputed portion of a debt
  - If a consumer owes more than one debt, failing to apply payments in accordance with the consumer's instructions accompanying the payment.

NYC's Amended Debt Collection Regulation

After initiation of debt collection procedures

- Creditor obligations that apply only after to the initiation of Debt Collection Procedures
  - Collecting or attempting to collect a debt without recording the language preference of the consumer, except where the creditor is not aware of such preference despite reasonable attempts to obtain it.
  - Furnishing information about a debt to a credit reporting agency unless the creditor has sent to the consumer, via at least one means of communication and in writing by US mail or other delivery service, a notice that clearly and conspicuously states that the information about the debt will be reported to a consumer reporting agency and the creditor has waited 14 consecutive days after sending such notice. During the 14-day waiting period, the creditor must monitor for undeliverability of the communications and may not furnish information about the consumer until this requirement is satisfied. Note that creditors are exempt from this requirement if they provide a notice of negative reporting as provided under the Fair Credit Reporting Act (at 15 U.S.C. § 1681s-2(a)(7)).
  - Selling or transferring a debt for collection to a debt collector or to an attorney law firm to sue a consumer if the creditor knows or should know that the debt has been paid, settled, or discharged in bankruptcy.
  - Selling or transferring a debt to anyone (a collection agency or law firm, or even to the original creditor) if the debt collector knows or should know that the time to sue has expired without including a clear and conspicuous notice to the recipient that the statute of limitations has expired and that federal law prohibits suing on the debt.
  - Selling or transferring a debt for collection if the creditor was unable to provide written verification of the debt after having received a first dispute or request for verification from the consumer, without including a clear and conspicuous notice to the recipient of the debt that the debt was not verified despite having received a request and providing a copy of the "Notice of Unverified Debt" sent to the consumer, as required by the NYC regulations.
  - Communicating with a consumer to collect a debt regarding which the creditor knows or should know that the consumer was issued a "Notice of Unverified Debt" without first waiting for at least 30-days after providing verification of the debt to the consumer.

About me

- Founder of Joshua Law Firm LLC to provide cost-effective regulatory compliance guidance to schools, student loan servicers, and consumer financial services companies.
- Legislative Co-Chair, Board of Directors of the Council of Higher Education Assistance Organizations ("COHEAO").
- Experience:
  - Regulatory counsel at Sallie Mae and Citizens Bank re their private student loan origination, servicing and collection functions.
  - Special Counsel in the consumer financial services groups at Manatt, Phelps & Phillips, LLP.
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