Comments on Collection Practices Regulations of the FTC

The FTC should require that any collection effort require:

1. Unambiguous proof via acknowledging signature in the agreement that the party from whom they are trying to collect signed an agreement to assume the debt.
2. This extends to secondary or other parties such as families of the deceased; if the party has not co-signed the debt they are not libel.
3. Thirdly that the collection agency provide all correspondence regarding the loan or debt from the company holding the debt to an impartial Federal reviewer prior to making any efforts to collect from secondary parties. The company trying to collect may not have fulfilled their part of the agreement or the loan agency may made an error, or the loan rate or purchase agreement may be predatory, misleading, etc. In which case the debt can not be collected.
4. Fourth, if there is not a scintilla of doubt that the second party has an obligation regarding the debt, that any penalties incurred by the first party are forgiven and the second party has the right to appeal to the third party (Federal Arbitrator) to renegotiate the debt.
5. That any third party reviewers in part 3 and 4 can not receive any funds from the companies seeking to collect or their representatives. They must be State or Federal salaried employee that are not political appointees.

In these days of predatory loans, the burden must be place on the loaning organization to establish any liabilities at the time of the loan or purchase and that this must in writing from the person accepting secondary responsibility.

I believe companies have a right to collect their money, but any company should secure agreements in writing at the time of the purchase or loan.

Many credit card companies still have usurious rates that they established just before the new credit card rules became effective. I think these companies are greedy, predatory slime balls and the credit card rules should have been made retroactive. Rates on the poor are high because they are considered bad risks, and the risks are realized as the rates are too high for the poor to keep up on payments.

Collection Companies are not ethical, and rules for disclosure must be established. I had a terrible experience with a collection agency several years ago, when the collection agency was trying to collect on debt of another person. We had lived in home in Ohio and sold to man with the same first name and had the same first letter in his first name. Ten years, and three moves from Ohio, to Idaho and then Maryland a collection agency called me to collect for repair bill on an appliance sold to the person we had sold the house to. I don't know how he got the number he used to call me.

The collection agency called and asked if I was Mike and I said yes, then he asked if was Mike BXXXX and I said I was Michael and gave him my last name (not the name he used), then he asked if I was the

Mike that had lived at Address X, I told him no, and he asked me for my address. I trustingly gave it to him, then he told me I owed money for a purchase in Ohio at the address I had lived, and that he was from a collection agency. I told him I always paid my bills and asked him when the bill was incurred, it was 4 years after we had moved out. I told him that but he continued to insist it was my bill. A couple of weeks later I received a notice in my mail threatening me. The spelling of my last name was incorrect and was not the original last name he was trying to collect from as that was the name of the person I had sold the house to. The name he used was a terrible effort to spell my last name phonetically. I responded with a notarized letter sent by certified letter stating it was not my bill and not my name and to drop the case and that I had provided information to the notary showing I had lived in other states at the time the bill was incurred. The collection company sent me another letter and I resent the first letter and asked them to provide me a copy of the bill as I was sure it would not have my signature. They never provided this information, and wrote me three more letters which I did not reply to based on advice from an attorney friend of mine.

Nothing happen and I forgot about it. Three years later when my security clearance was being renewed, an investigator told me about the alleged debt and that it showed up as an unpaid debt on my credit rating. I had kept records that I was able to provide to the investigator demonstrating that this could not be my debt. He told me “This happens all the time, don’t worry about it”. Since this appears that collection agencies frequently try these tactics some rules with penalties for collection agencies should be established to keep them honest.

I received the renewal of my clearance and since we have had a credit rating of over 800 this incident it did not cause any problems for me. But it showed up on my credit report for several years and it took several letters to the rating organizations to get it removed.

If I was dead my family would not have been able to contest this.

I get mail from the few credit cards we have that say I have to respond or they will initiate “x” practice such as providing my mailing information to other organizations unless I opt out. The rules should be changed to make them write letter requiring a response to opt in. It annoys me to pay the postage and spend the time to respond to these requests because the FTC allows the companies to put the burden on their customers to respond.

I am disgusted with the FTC and the way they establish regulations for the financial sector to the detriment of the general public. The shame is most of you civil servants are persons of integrity and it is the political appointees that drive the rules.