SYNOPSIS OF FEDERAL TRADE COMMISSION DECISIONS CONCERNING DEBT COLLECTION PRACTICES

The Federal Trade Commission has determined that the following acts or practices used in the collection of debts are unfair or deceptive and are unlawful under Section 5(a)(1) of the Federal Trade Commission Act.

-- It is an unfair or deceptive trade practice for a creditor to misrepresent his identity to the debtor or use a fictitious or misleading identity when he is seeking to collect a debt directly. 1/

-- It is an unfair or deceptive trade practice for a creditor to threaten to institute legal proceedings against a debtor when there is in fact no intent to actually initiate such proceedings. 2/

-- It is an unfair or deceptive trade practice for a creditor to represent that a debtor's credit rating will be adversely affected, or that his name will be given to a credit reporting agency, when such is not the case. 3/

-- It is an unfair or deceptive trade practice for a creditor to create a false impression that he has governmental or other legal authority to collect a debt. 4/

1/ Wilson Chemical Co., Inc., et al., Docket 8474 (January 14, 1954); N. A. Wise Co., Inc., et al., Docket 6288 (November 1, 1956).

2/ Wilson Chemical Co., Inc., et al., Docket 8474.

3/ Parents' Magazine Enterprises, Inc., et al., Docket 8532 (December 5, 1955).

4/ S. Dean Slouch t/a State Credit Control Board, Docket 5651 (November 10, 1950); A. J. Jackson t/a Allied Information Service, etc., Docket 7837 (June 30, 1950); Sydney K. Florsheim t/a Florsheim Sales Company, etc., Docket 6721 (February 7, 1950).
It is an unfair or deceptive trade practice to misrepresent the purpose of an inquiry directed at the debtor or at a third party in order to secure information concerning a debtor such as his whereabouts, assets or employment status. 5/

5/ Lester Rothschild t/a Gen-O-Pak Company et al., Docket 5653 (March 27, 1952); Len Trauner t/a National Laboratories et al., Docket 4870 (May 9, 1953); Howard Sadak et al., International Research, etc. et al., Docket 4074 (April 27, 1943); Albert L. Koss et al., Docket 4049 (July 21, 1943); Herbert L. Ross et al., National Interference Service, et al., Docket 4049 (January 23, 1943).