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

March 17, 2025

Russell Vought
Acting Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Dear Acting Director Vought:

The Federal Trade Commission (FTC or Commission) engages in multi-faceted work covering the debt collection market, including implementing the Fair Debt Collection Practices Act (FDCPA) and other statutes. This letter and its appendix describe the law enforcement and public outreach efforts the Commission has taken in this area during the 2024 calendar year. We hope the information in this letter will assist the Consumer Financial Protection Bureau (CFPB) in preparing this year's report to Congress concerning the federal government's efforts to implement the FDCPA.[1]

I. Law Enforcement Activities

The Commission is authorized under both the FDCPA and the FTC Act[2] to investigate and take law enforcement action against illegal debt collection activities.[3] In 2024, the FTC continued to combat unfair, deceptive, and otherwise unlawful debt collection practices with its law enforcement activities, including halting an unlawful debt collection operation, obtaining a $20.3 million judgment in an enforcement action addressing unlawful debt collection practices against small businesses, and sending out over half a million dollars in refunds to consumers harmed by a phantom debt collection scheme.

A. Debt Collection Under the FDCPA

The FTC continues its work to combat unlawful debt collection activities. In *Consumer Impact Recovery*, the Commission sued a Georgia-based debt collector and its owner for

[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, 2092-93 (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] FDCPA, 15 U.S.C. §§ 1692-1692p; FTC Act, 15 U.S.C. §§ 41-58.
[3] 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. § 1692*l*. 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.

violations of the FDCPA, its implementing Regulation F, the FTC Act, and the Gramm-Leach-Bliley Act.[4] According to the complaint, the debt collection operation would threaten consumers with arrest, wage garnishment, and lawsuits over fictitious debts.[5] Defendants would sometimes call an individual consumer multiple times a day, or even harass consumers' family members with similar threats. The complaint alleges that the debt in fact did not exist or was not legally collectible. The Commission estimates that thousands of consumers were tricked into paying more than $7.6 million in bogus debts. A federal court temporarily halted the operation's illegal activity and froze its assets while the litigation continues.[6]

The Commission also returned money to consumers affected by the unlawful debt collection schemes in *National Landmark* and *Absolute Financial Services*. Following the Commission's actions against the phantom debt collection operations,[7] the FTC mailed 1,625 checks totaling more than $540,000 dollars to affected consumers.[8]

B. Debt Collection Issues Affecting Small Businesses

In addition to the Commission's authority relating to household debt under the FDCPA, the FTC Act empowers the FTC to take action to protect small business consumers. Unfair and deceptive debt collection practices harm both small businesses and individual consumers, and the FTC has taken action to stop illegal conduct in this area.

The Commission secured $20.3 million in monetary relief and civil penalties following a jury trial in *RCG Advances*.[9] In 2020, the FTC sued an enterprise and five defendants for using illegal tactics when collecting from small businesses on merchant cash advances.[10] The FTC's complaint alleged that defendants used unfair debt collection practices, including egregious

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[4] Press Release, FTC Takes Action Against Phantom Debt Collector that Collected Millions in Bogus Debt From Consumers (Nov. 4, 2024), https://www.ftc.gov/news-events/news/press-releases/2024/11/ftc-takes-action-against-phantom-debt-collector-collected-millions-bogus-debt-consumers.

[5] Complaint, FTC v. Global Circulation, Inc., No. 1:24-cv-4927 (N.D. Ga. Oct. 29, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/DE1-Complaint_0.pdf.

[6] *Ex Parte* Temporary Restraining Order, FTC v. Global Circulation, Inc., No. 1:24-cv-4927 (N.D. Ga Oct. 29, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/TemporaryRestrainingOrder%28withoutattachments%29.pdf.

[7] Complaint, FTC v. National Landmark Logistics LLC, No. 0:20-cv-02592 (D.S.C. Jul. 13, 2020), https://www.ftc.gov/system/files/documents/cases/202_3071_national_landmark_logistics_-_complaint.pdf; Complaint, FTC v. Absolute Financial Services, LLC, No. 0:20-cv-02596 (D.S.C. Jul 13, 2020), https://www.ftc.gov/system/files/documents/cases/202_3072_absolute_financial_services_-_complaint.pdf.

[8] Press Release, FTC Sends More Than $540,000 in Refunds to Consumers Harmed by Phantom and Abusive Debt Collection Scheme (Dec. 10, 2024), https://www.ftc.gov/news-events/news/press-releases/2024/12/ftc-sends-more-540000-refunds-consumers-harmed-phantom-abusive-debt-collection-scheme.

[9] Press Release, Court Enters $20.3 Million Judgment in FTC Case Against Merchant Cash Advance Operator Jonathan Braun for Deceiving Small Businesses and Unlawfully Seizing Assets (Feb. 14, 2024), https://www.ftc.gov/news-events/news/press-releases/2024/02/court-enters-203-million-judgment-ftc-case-against-merchant-cash-advance-operator-jonathan-braun.

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

threats of physical violence, to compel consumers to pay.[11] In 2022, the FTC announced two settlements with four of the five defendants, permanently banning them from the debt collection and merchant cash advance industries and requiring them to pay $675,000 and $2.7 million, respectively.[12] The $20.3 million judgment obtained this year against the remaining defendant follows the court's October 2023 permanent injunction,[13] barring that defendant from the debt collection and merchant cash advance industries.[14]

II. 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 work with an informal network of more than 6,000 community-based organizations and national groups that order and distribute FTC information to their members, clients, and constituents. In 2024, the FTC distributed over 7.3 million print publications to libraries, police departments, schools, non-profit organizations, banks, credit unions, other businesses, and federal, state, and local government agencies. The FTC also logged more than 42.3 million views of its business and consumer education website pages in English and Spanish. The FTC's debt collection content, including *Debt Collection FAQs*, *Fake and Abusive Debt Collectors*, and *What To Do if a Debt Collector Sues You*, have gotten nearly one million views in English and Spanish in 2024.[15]

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[11] Amended Complaint, FTC v. RCG Advances, No. 20-cv-4432 (S.D.N.Y. June 10, 2021), https://www.ftc.gov/system/files/documents/cases/x200045rcgamendedcomplaint.pdf.

[12] Press Release, Merchant Cash Advance Providers Banned from Industry, Ordered to Redress Small Businesses (Jan. 5, 2022), https://www.ftc.gov/news-events/news/press-releases/2022/01/merchant-cash-advance-providers-banned-industry-ordered-redress-small-businesses; Press Release, FTC Action Results in Ban for Richmond Capital and Owner From Merchant Cash Advance and Debt Collection Industries and Return of More Than $2.7M to Consumers (June 6, 2022), https://www.ftc.gov/news-events/news/press-releases/2022/06/ftc-action-results-ban-richmond-capital-owner-merchant-cash-advance-debt-collection-industries.

[13] Press Release, FTC Case Leads to Permanent Ban Against Merchant Cash Advance Owner for Deceiving Small Businesses, Seizing Personal and Business Assets (Oct. 30, 2023), https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-case-leads-permanent-ban-against-merchant-cash-advance-owner-deceiving-small-businesses-seizing.

[14] 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 233 banned individuals and companies.

[15] Fed. Trade Comm'n, Debt Collection FAQs (2023), https://consumer.ftc.gov/articles/debt-collection-faqs; Fed. Trade Comm'n, Debt and Deceased Relatives (2023), https://consumer.ftc.gov/articles/debts-and-deceased-relatives; Fed. Trade Comm'n, Fake and Abusive Debt Collectors (2023), https://consumer.ftc.gov/articles/fake-abusive-debt-collectors; Fed. Trade Comm'n, How To Get Out of Debt (2022), https://consumer.ftc.gov/articles/how-get-out-debt;

The FTC's YouTube channel, YouTube.com/FTCvideos, houses more than 450 business and consumer videos in English and Spanish. Many of the videos are also available on the FTC's consumer[16] and business[17] websites. These videos were viewed more than 3.7 million times in 2024 across all websites. Four business and consumer videos address debt collection (in English and Spanish) and were viewed a combined 28,246 times in 2024.[18] Additionally, the Consumer Alerts in English[19] and Spanish[20] reached 373,000 and 72,000 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 affecting 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 more than 8,500 copies of the *Cobradores de deuda* (Debt Collectors)[21] fotonovela in 2024.

The Commission also educates members of the debt collection industry, including by developing and distributing business education materials and providing Business Alerts. The FTC's business education resources can be found in its online Business Guidance.[22] The Business Guidance logged more than 6.8 million page views in 2024, and there are more than 141,000 email subscribers to Business Alerts. A more comprehensive list of the FTC's consumer and business education materials relating to debt collection, and information on the extent of their distribution in calendar 2024, is set forth in Appendix A to this letter.

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

Fed. Trade Comm'n, What To Do if a Debt Collector Sues You (2023), https://consumer.ftc.gov/articles/what-do-if-debt-collector-sues-you.

[16] The consumer websites are consumer.ftc.gov, consumidor.ftc.gov, consumer.gov, consumidor.gov, and militaryconsumer.gov.

[17] The business website is available at ftc.gov/business-guidance.

[18] 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; and *Fraud Affects Every Community: Debt Collection* describes a veteran's experience with abusive debt collection and the legal assistance that helped him resolve the case.

[19] *See* Consumer Alerts, Fed. Trade Comm'n, https://consumer.ftc.gov/consumer-alerts.

[20] *See* Alertas para consumidores, Fed. Trade Comm'n, https://consumidor.ftc.gov/alertas-para-consumidores.

[21] Fed. Trade Comm'n, Juan Aprende Sus Derechos Para Lidiar Con Los Cobradores De Deuda (2023), https://www.bulkorder.ftc.gov/sites/bulkorder.ftc.gov/files/publications/912a_debt_collectors_fotonovela_sp_aug2023_508.pdf.

[22] *See* Business Guidance, Fed. Trade Comm'n, https://www.ftc.gov/business-guidance.

Sincerely,

Christopher Mufarrige

Christopher Mufarrige
Director, Bureau of Consumer Protection

Appendix A
Debt Collection Information

Calendar Year 2024

Consumer Information	Views		Print Orders	
Article	English	Spanish	English	Spanish
Debt Collection FAQs	224,046	176,200	32,900	6,625
Debt Collectors (Fotonovela)				8,550
Debt Relief (Fotonovela)				6,700
Debts and Deceased Relatives	77,123	54,879		
Fake and Abusive Debt Collectors	19,854	8,231		
Getting Out of Debt			39,550	10,175
How To Get Out of Debt	235,393	49,516		
What To Do if a Debt Collector Sues You	59,780	84,172		
Video				
Dealing with Debt Collectors	787	120		
Debt Collection: Know Your Rights	16,901	9,900		
Fraud Affects Every Community: Debt Collection	306			

Business Information	Views	
	English	Spanish
The Fair Debt Collection Practices Act	9,772	
Fair Debt Collection: Business Tips	111	75

The Views column indicates how many times a page was viewed on an FTC website. A person who views an article page may also download, re-post, or copy and share content from a page, which increases the number of people who see the article but doesn't increase the number of views.