

114TH CONGRESS
1ST SESSION

S. 2255

To amend the Fair Debt Collection Practices Act to restrict the debt collection practices of certain debt collectors.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 5, 2015

Mr. BOOKER (for himself and Mr. LEE) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Fair Debt Collection Practices Act to restrict the debt collection practices of certain debt collectors.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Debt Collection
5 Abuse Act of 2015”.

6 **SEC. 2. DEFINITIONS.**

7 Section 803 of the Fair Debt Collection Practices Act
8 (15 U.S.C. 1692a) is amended by striking paragraphs (5)
9 and (6) and inserting the following:

10 “(5) The term ‘debt’ means—

1 “(A) any obligation or alleged obligation of
2 a consumer to pay money arising out of a
3 transaction in which the money, property, in-
4 surance, or services which are the subject of the
5 transaction are primarily for personal, family,
6 or household purposes, whether or not such ob-
7 ligation has been reduced to judgment; or

8 “(B) any obligation or alleged obligation of
9 a consumer—

10 “(i) to pay a loan, an overpayment, a
11 fine, penalty, a fee, or other money to a
12 Federal agency; and

13 “(ii) that is not less than 180 days
14 past due.

15 “(6) The term ‘debt collector’ means any per-
16 son who—

17 “(A) uses any instrumentality of interstate
18 commerce or the mails in any business the prin-
19 cipal purpose of which is the collection of any
20 debts;

21 “(B) regularly collects or attempts to col-
22 lect, directly or indirectly, by its own means or
23 by hiring another debt collector, debts owed or
24 due or asserted to be owed or due another or
25 that have been purchased from another; or

1 “(C) regularly collects debts owed or alleg-
 2 edly owed to a Federal agency.”.

3 **SEC. 3. DEBT COLLECTION PRACTICES FOR DEBT COLLEC-**
 4 **TORS HIRED BY GOVERNMENT AGENCIES.**

5 The Fair Debt Collection Practices Act (15 U.S.C.
 6 1692 et seq.) is amended by inserting after section 812
 7 (15 U.S.C. 1692j) the following:

8 **“§ 812A. Debt collection practices for debt collectors**
 9 **hired by Federal agencies**

10 “(a) LIMITATION ON TIME TO TURN DEBT OVER TO
 11 DEBT COLLECTOR.—A Federal agency that is a creditor
 12 may sell or transfer a debt described in section 803(5)(B)
 13 to a debt collector not earlier than 180 days after the date
 14 on which the obligation or alleged obligation arises.

15 “(b) REQUIRED NOTICE.—

16 “(1) IN GENERAL.—Before transferring or sell-
 17 ing a debt described in section 803(5)(B) to a debt
 18 collector or contracting with a debt collector to col-
 19 lect such a debt, a Federal agency shall notify the
 20 consumer not fewer than 3 times that the Federal
 21 agency will take such action.

22 “(2) FREQUENCY OF NOTIFICATIONS.—The
 23 second and third notifications described in para-
 24 graph (1) shall be made not less than 30 days after

1 the date on which the previous notification is
2 made.”.

3 **SEC. 4. UNFAIR PRACTICES.**

4 Section 808 of the Fair Debt Collection Practices Act
5 (15 U.S.C. 1692f) is amended by striking paragraph (1)
6 and inserting the following:

7 “(1) The collection of any amount (including
8 any interest, fee, charge, or expense incidental to the
9 principal obligation) unless—

10 “(A) such amount is expressly authorized
11 by the agreement creating the debt or permitted
12 by law; or

13 “(B) in the case of any amount charged by
14 a debt collector collecting a debt for a Federal
15 agency, such amount is—

16 “(i) reasonable in relation to the ac-
17 tual costs of the collection;

18 “(ii) authorized by a contract between
19 the debt collector and the Federal agency;
20 and

21 “(iii) not greater than 10 percent of
22 the amount collected by the debt col-
23 lector.”.

1 **SEC. 5. GAO STUDY AND REPORT.**

2 (a) STUDY.—Not later than 30 days after the date
3 of enactment of this Act, the Comptroller General of the
4 United States shall commence a study on the use of debt
5 collectors by State and local government agencies, includ-
6 ing—

7 (1) the powers given to the debt collectors by
8 State and local government agencies;

9 (2) the contracting process that allows a State
10 or local government agency to award debt collection
11 to a certain company, including the selection proc-
12 ess;

13 (3) any fees charged to debtors in addition to
14 principal and interest on the outstanding debt;

15 (4) how the fees described in paragraph (3)
16 vary from State to State;

17 (5) consumer protection at the State level that
18 offer recourse to those whom debts have been wrong-
19 fully attributed;

20 (6) the revenues received by debt collectors
21 from State and local government agencies;

22 (7) the amount of any revenue sharing agree-
23 ments between debt collectors and State and local
24 government agencies;

25 (8) the difference in debt collection procedures
26 across geographic regions, including the extent to

1 which debt collectors pursue court judgments to col-
2 lect debts; and

3 (9) any legal immunity or other protections
4 given to the debt collectors hired by State and local
5 government agencies, including whether the debt col-
6 lectors are subject to the Fair Debt Collection Prac-
7 tices Act (15 U.S.C. 1692 et seq.).

8 (b) REPORT.—Not later than 180 days after the date
9 of enactment of this Act, the Comptroller General of the
10 United States shall submit to Congress a report on the
11 completed study required under subsection (a).

○