

Other rules under the Fair Debt Collection Practices Act are that collection agents cannot:

- Misrepresent themselves, for example by telling you they are calling with a survey to try to get information from you.
- Contact you at work if your employer prohibits it.
- Claim you owe more than you do.
- Claim that you or a family member will be arrested, imprisoned, or lose your driver's license.
- Contact third parties about your debt. To locate you, collectors can contact your spouse, your attorney, and your parents if you're a minor. A collector can also contact a third party only to determine if you live at the location listed on the account. If you've moved, they can also ask for the new address, phone number, and where you are employed. Any further discussion between a third party and a collector is prohibited in Wisconsin.

Is a collection agency allowed to contact my employer?

The collector can contact your employer only for the following reasons – to verify employment or the amount of your earnings, or to communicate with an employer who has an established debt counseling service or procedure. Collectors can also contact an employer after a final court judgment has been made on the debt.

What happens if I just ignore the debt?

If you are sued by the collection agency, show up in court and explain why you can't pay or why you think that you don't owe the debt. Sometimes you can negotiate a smaller payoff amount. *If you don't show up in court and continue to ignore the debt, you will automatically lose.* Once a judgment is filed against you, your wages can be garnished or property can be seized if it was used to secure the debt. If you don't have any wages or savings to garnish, the unpaid judgment can stay on your credit report for 20 years.

What can I do if I have concerns about a collection agency?

Even if debt collectors aren't breaking the law, you can stop them from contacting you. Send a certified letter insisting that they stop. (It's called a cease and desist letter). Keep a copy for your records. Collectors may only contact you one last time to notify you about what their next step will be, like telling you they plan to sue, for example.

If you feel you're being harassed by a collection agency, keep a record with the time and date of the calls you receive, and any harassing threats. File a complaint with the Federal Trade Commission's (FTC) Consumer Response Center at: www.ftc.gov; or call: 877-FTC-HELP (382-4357).

If you have a complaint about a debt collector, you can also call or write:

Division of Corporate & Consumer Services

Department of Financial Institutions

P. O. Box 8041

Madison WI 53708-8041

(800) 452-3328 (Wisconsin residents only) or (608) 264-7969

Please keep in mind that they can only act on complaints filed in writing or sent in through their website: www.wdfi.org.

Adapted from UW-Extension Family Living Programs Family Financial Management, September 2012.