

# Industry Stakeholders, Government Officials and Consumer Advocates Discuss Data Use in Debt Collection at CFPB-FTC Roundtable

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As initially [reported](#), the CFPB and FTC held a public roundtable last week that brought together industry stakeholders, government officials and consumer advocates to discuss the use of consumer data throughout the debt collection process. Participants acknowledged that the transfer and sale of debt presents unique obstacles for the use of consumer data across the life of a debt, but that certain steps could be taken to move towards a more efficient system for all parties.

Providing welcoming remarks along with FTC Commissioner Julie Brill, Acting Deputy Director of the CFPB Steve Antonakes noted that the discussion could be broken down into three “areas of focus.” First, one must consider the initial accuracy of information that debt collectors use to pursue consumers. Second, one should consider the accuracy of the information over time, meaning whether the information “deteriorates as it ages or gets passed down the line to secondary or tertiary buyers.” Third, even accepting the accuracy of the information relied upon, safeguards should be taken to ensure that the consumer can dispute debts believed to be incorrect.

The daylong roundtable generally echoed these themes as various presenters and panels provided their thoughts on the present system and prospective channels for improvement. Most notably, participants from industry and consumer protection groups agreed that moving towards a more uniform system for data standards would facilitate a more efficient market, thus benefitting industry and consumers. While some details concerning potential data standards remained unclear, widespread agreement emerged that certain basic information should be included as part of any debt file, including the identity of the original creditor and the amount owed.

Other participants pointed to recently enacted state regulations, such as the Maryland court rule adopted in September 2011, that require debt collectors to provide certain documentation before suing debtors in state court as a possible model to be used in the non-litigation context.

Roundtable participants also discussed the approximate 90 percent non-appearance rate of debtors in court proceedings. While some participants, such as Maryland assistant attorney general Thomas Lawrie, suggested that industry benefitted from a high non-appearance rate, industry representatives countered that they would much prefer a higher appearance rate to facilitate increased discussion and resolve debts outside of court.

The roundtable took place amid recent calls by Senator Sherrod Brown (D-OH) for the CFPB to issue new regulations restricting certain debt collection practices. Senator Brown, as chair of the Senate Banking Subcommittee on Financial Institutions and Consumer Protection, released [a letter](#) the day

before the roundtable asking the CFPB to consider, among other regulations, new requirements for uniform documentation prior to issuing debt collection notices and restrictions on sale and collection of unverifiable and time-barred debts.

Senator Brown also indicated in his letter that the Subcommittee will hold a hearing in the near future to examine possible reforms. We will continue to monitor developments in the debt collection industry and post updates here.

*Summer Law Clerk Harrison Proctor contributed to this post.*