

# States Place New Restrictions on Collection Efforts and Outbound Calls Amidst COVID-19 Pandemic

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April 3, 2020

The COVID-19 pandemic continues to have far-reaching effects on businesses and consumers everywhere. While many states are taking broadly consistent approaches on certain issues (*e.g.*, [price gouging](#), non-essential business closures), one area where we've seen significant divergence involves regulation of collection efforts – both by first party creditors and debt collectors. In an effort to protect consumers who may themselves be experiencing financial distress, some states have imposed new, stringent restrictions to prevent businesses from engaging in certain collection activities.

For example, Massachusetts [issued](#) an emergency regulation that prohibits creditors from making unsolicited debt collection telephone calls to Massachusetts consumers for the next 90 days, unless the state of emergency ends before that time. The regulation also prohibits collectors from

- filing any new collection lawsuit;
- garnishing wages, earnings, properties or funds;
- repossessing vehicles;
- applying for or serving a *capias* warrant;
- visiting or threatening to visit the household of a debtor;
- visiting or threatening to visit the place of employment of a debtor;
- confronting or communicating in person with a debtor regarding the collection of a debt in any public place.

Nevada went a step further by [requiring](#) all collection efforts with Nevada consumers to cease until April 16, 2020, although its directive only applies to collection agencies holding a license or certificate and located out-of-state. Other states such as California, New York, and Illinois have expressly stated that collection agencies and debt buyers are non-essential businesses, but have not sought to impose additional restrictions on activities that can occur remotely consistent with other federal and state laws.

First-party collectors and debt collectors should consider the Massachusetts and Nevada initiatives before contacting consumers in those states, and continue to monitor whether other states follow suit with similar restrictions.