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(Original Signature of Member)

118TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To expand and enhance consumer, student, servicemember, and small business protections with respect to debt collection practices, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Ms. WATERS introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To expand and enhance consumer, student, servicemember, and small business protections with respect to debt collection practices, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Comprehensive Debt Collection Improvement Act”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SMALL BUSINESS LENDING FAIRNESS ACT

- Sec. 101. Short title.
- Sec. 102. Obligor transactions.
- Sec. 103. Enforcement of security interests.

TITLE II—FAIR DEBT COLLECTION PRACTICES FOR  
SERVICEMEMBERS ACT

- Sec. 201. Short title.
- Sec. 202. Enhanced protection against debt collector harassment of  
servicemembers.
- Sec. 203. GAO study and report.

TITLE III—PRIVATE LOAN DISABILITY DISCHARGE ACT

- Sec. 301. Short title.
- Sec. 302. Protections for obligors and cosigners in case of death or total and  
permanent disability.

TITLE IV—CONSUMER PROTECTION FOR MEDICAL DEBT  
COLLECTIONS ACT

- Sec. 401. Short title.
- Sec. 402. Amendments to the Fair Debt Collection Practices Act.
- Sec. 403. Prohibition on consumer reporting agencies reporting certain medical  
debt.
- Sec. 404. Requirements for furnishers of medical debt information.

TITLE V—ENDING DEBT COLLECTION HARASSMENT ACT

- Sec. 501. Short title.
- Sec. 502. Consumer protections relating to debt collection practices.

TITLE VI—STOP DEBT COLLECTION ABUSE ACT

- Sec. 601. Short title.
- Sec. 602. Definitions.
- Sec. 603. Debt collection practices for debt collectors hired by Federal agencies.
- Sec. 604. Unfair practices.
- Sec. 605. GAO study and report.

TITLE VII—DEBT COLLECTION PRACTICES HARMONIZATION ACT

- Sec. 701. Short title.
- Sec. 702. Award of damages.
- Sec. 703. Prohibition on the referral of emergency individual assistance debt.

TITLE VIII—NON-JUDICIAL FORECLOSURE DEBT COLLECTION  
CLARIFICATION ACT

- Sec. 801. Short title.
- Sec. 802. Enforcement of security interests.

TITLE IX—MISCELLANEOUS PROVISIONS

- Sec. 901. Effective date.

1           **TITLE I—SMALL BUSINESS**  
2           **LENDING FAIRNESS ACT**

3   **SEC. 101. SHORT TITLE.**

4           This title may be cited as the “Small Business Lend-  
5   ing Fairness Act”.

6   **SEC. 102. OBLIGOR TRANSACTIONS.**

7           (a) **IN GENERAL.**—Chapter 2 of the Truth in Lend-  
8   ing Act (15 U.S.C. 1631 et seq.) is amended by adding  
9   at the end the following:

10   **“§ 140B. Unfair credit practices**

11           “(a) **IN GENERAL.**—In connection with the extension  
12   of credit or creation of debt in or affecting commerce, as  
13   defined in section 4 of the Federal Trade Commission Act  
14   (15 U.S.C. 44), including any advance of funds or sale  
15   or assignment of future income or receivables that may  
16   or may not be credit, no person may directly or indirectly  
17   take or receive from another person or seek to enforce an  
18   obligation that constitutes or contains a cognovit or con-  
19   fession of judgment (for purposes other than executory  
20   process in the State of Louisiana), warrant of attorney,  
21   or other waiver of the right to notice and the opportunity  
22   to be heard in the event of suit or process thereon.

23           “(b) **EXEMPTION.**—The exemptions described in sec-  
24   tion 104 shall not apply to this section.”.

25           (b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

1           (1) Section 130 of the Truth in Lending Act  
2           (15 U.S.C. 1640) is amended by adding at the end  
3           the following:

4           “(m) CREDITOR.—In this section, the term ‘creditor’  
5           refers to any person charged with compliance that is not  
6           the obligor.”.

7           (2) The table of sections in chapter 2 of the  
8           Truth in Lending Act (15 U.S.C. 1631 et seq.) is  
9           amended by adding at the end the following:

“140B. Unfair credit practices.”.

10 **SEC. 103. ENFORCEMENT OF SECURITY INTERESTS.**

11           Section 103 of the Truth in Lending Act (15 U.S.C.  
12           1602) is amended by adding at the end the following:

13           “(ff) The term ‘debt’ means any obligation of a per-  
14           son to pay to another person money—

15           “(1) that includes the right of the person pro-  
16           viding the money to a legal or an equitable remedy  
17           for breach of performance if the breach gives rise to  
18           a right to payment; and

19           “(2) regardless of whether the obligation or  
20           right to a remedy described in paragraph (1) is ab-  
21           solute or contingent, has been reduced to judgment,  
22           is fixed, matured, unmatured, disputed, undisputed,  
23           recourse, nonrecourse, secured, or unsecured”.

1 **TITLE II—FAIR DEBT COLLEC-**  
2 **TION PRACTICES FOR**  
3 **SERVICEMEMBERS ACT**

4 **SEC. 201. SHORT TITLE.**

5 This title may be cited as the “Fair Debt Collection  
6 Practices for Servicemembers Act”.

7 **SEC. 202. ENHANCED PROTECTION AGAINST DEBT COL-**  
8 **LECTOR HARASSMENT OF**  
9 **SERVICEMEMBERS.**

10 (a) COMMUNICATION IN CONNECTION WITH DEBT  
11 COLLECTION.—Section 805 of the Fair Debt Collection  
12 Practices Act (15 U.S.C. 1692c) is amended by adding  
13 at the end the following:

14 “(e) COMMUNICATIONS CONCERNING SERVICEMEM-  
15 BER DEBTS.—

16 “(1) DEFINITION.—In this subsection, the term  
17 ‘covered member’ means—

18 “(A) a covered member or a dependent as  
19 defined in section 987(i) of title 10, United  
20 States Code; and

21 “(B)(i) an individual who was separated,  
22 discharged, or released from duty described in  
23 such section 987(i)(1), but only during the 365-  
24 day period beginning on the date of separation,  
25 discharge, or release; or

1           “(ii) a person, with respect to an individual  
2           described in clause (i), described in subpara-  
3           graph (A), (D), (E), or (I) of section 1072(2)  
4           of title 10, United States Code.

5           “(2) PROHIBITIONS.—A debt collector may not,  
6           in connection with the collection of any debt of a  
7           covered member—

8                   “(A) threaten to have the covered member  
9                   reduced in rank;

10                   “(B) threaten to have the covered mem-  
11                   ber’s security clearance revoked; or

12                   “(C) threaten to have the covered member  
13                   prosecuted under chapter 47 of title 10, United  
14                   States Code (the Uniform Code of Military Jus-  
15                   tice).”.

16           (b) UNFAIR PRACTICES.—Section 808 of the Fair  
17           Debt Collection Practices Act (15 U.S.C. 1692f) is amend-  
18           ed by adding at the end the following:

19                   “(9) The representation to any covered member  
20                   (as defined under section 805(e)(1)) that failure to  
21                   cooperate with a debt collector will result in—

22                           “(A) a reduction in rank of the covered  
23                           member;

24                           “(B) a revocation of the covered member’s  
25                           security clearance; or

1                   “(C) prosecution under chapter 47 of title  
2                   10, United States Code (the Uniform Code of  
3                   Military Justice).”.

4 **SEC. 203. GAO STUDY AND REPORT.**

5           (a) STUDY.—The Comptroller General of the United  
6 States shall conduct a study on the impact of debt collec-  
7 tion on covered members (as defined under section  
8 805(e)(1) of the Fair Debt Collection Practices Act, as  
9 added by section 202), which shall—

10           (1) identify types of false, deceptive, misleading,  
11           unfair, abusive, and harassing debt collection prac-  
12           tices experienced by covered members and make rec-  
13           ommendations to eliminate these practices;

14           (2) identify collection practices of creditors and  
15           debt collectors experienced by covered members;

16           (3) discuss the effect of these practices on mili-  
17           tary readiness; and

18           (4) discuss any national security implications,  
19           including the extent to which covered members with  
20           security clearances would be impacted by uncollected  
21           debt.

22           (b) REPORT.—Not later than 1 year after the date  
23 of enactment of this Act, the Comptroller General of the  
24 United States shall submit to Congress a report on the  
25 completed study required under subsection (a).

1           **TITLE III—PRIVATE LOAN**  
2           **DISABILITY DISCHARGE ACT**

3   **SEC. 301. SHORT TITLE.**

4           This title may be cited as the “Private Loan Dis-  
5 ability Discharge Act of 2024”.

6   **SEC. 302. PROTECTIONS FOR OBLIGORS AND COSIGNERS IN**  
7                   **CASE OF DEATH OR TOTAL AND PERMANENT**  
8                   **DISABILITY.**

9           (a) **IN GENERAL.**—Section 140(g) of the Truth in  
10 Lending Act (15 U.S.C. 1650(g)) is amended—

11                   (1) in paragraph (2)—

12                           (A) in the heading, by striking “**IN CASE**  
13                           **OF DEATH OF BORROWER**”;

14                           (B) in subparagraph (A), by inserting after  
15                           “of the death”, the following: “or total and per-  
16                           manent disability”; and

17                           (C) in subparagraph (C), by inserting after  
18                           “of the death”, the following: “or total and per-  
19                           manent disability”; and

20                   (2) by adding at the end the following:

21                           “(3) **DISCHARGE IN CASE OF DEATH OR TOTAL**  
22                           **AND PERMANENT DISABILITY OF BORROWER.**—The  
23                           holder of a private education loan shall, when noti-  
24                           fied of the death or total and permanent disability  
25                           of a student obligor (and any cosigner), discharge



1 the liability of the student obligor on the loan and  
2 may not, after such notification—

3 “(A) attempt to collect on the outstanding  
4 liability of the student obligor; and

5 “(B) in the case of total and permanent  
6 disability, monitor the disability status of the  
7 student obligor at any point after the date of  
8 discharge.

9 “(4) PRIVATE DISCHARGE IN CASES OF CER-  
10 TAIN DISCHARGE FOR DEATH OR DISABILITY.—The  
11 holder of a private education loan shall, when noti-  
12 fied of the discharge of liability of a student obligor  
13 on a loan described under section 108(f)(5)(A) of  
14 the Internal Revenue Code of 1986, discharge any li-  
15 ability of the student obligor (and any cosigner) on  
16 any private education loan which the private edu-  
17 cation loan holder holds and may not, after such no-  
18 tification—

19 “(A) attempt to collect on the outstanding  
20 liability of the student obligor; and

21 “(B) in the case of total and permanent  
22 disability, monitor the disability status of the  
23 student obligor at any point after the date of  
24 discharge.

1           “(5) TOTAL AND PERMANENT DISABILITY DE-  
2           FINED.—For the purposes of this subsection and  
3           with respect to an individual, the term ‘total and  
4           permanent disability’ means the individual is totally  
5           and permanently disabled, as such term is defined in  
6           section 685.102(b) of title 34, Code of Federal Reg-  
7           ulations.”.

8           (b) RULEMAKING.—The Director of the Bureau of  
9           Consumer Financial Protection may issue rules to imple-  
10          ment the amendments made by subsection (a) as the Di-  
11          rector determines appropriate.

12       **TITLE IV—CONSUMER PROTEC-**  
13       **TION FOR MEDICAL DEBT**  
14       **COLLECTIONS ACT**

15       **SEC. 401. SHORT TITLE.**

16          This title may be cited as the “Consumer Protection  
17          for Medical Debt Collections Act”.

18       **SEC. 402. AMENDMENTS TO THE FAIR DEBT COLLECTION**  
19       **PRACTICES ACT.**

20          (a) DEFINITION.—Section 803 of the Fair Debt Col-  
21          lection Practices Act (15 U.S.C. 1692a) is amended by  
22          adding at the end the following:

23               “(9) The term ‘medical debt’ means a debt aris-  
24               ing from the receipt of medical services, products, or  
25               devices.”.

1 (b) UNFAIR PRACTICES.—Section 808 of the Fair  
2 Debt Collection Practices Act (15 U.S.C. 1692f), as  
3 amended by section 202(b), is amended by adding at the  
4 end the following:

5 “(10) Engaging in activities to collect or at-  
6 tempting to collect a medical debt before the end of  
7 the 2-year period beginning on the date that the  
8 first payment with respect to such medical debt is  
9 due.”.

10 **SEC. 403. PROHIBITION ON CONSUMER REPORTING AGEN-**  
11 **CIES REPORTING CERTAIN MEDICAL DEBT.**

12 (a) DEFINITION.—Section 603 of the Fair Credit Re-  
13 porting Act (15 U.S.C. 1681a) is amended by adding at  
14 the end the following:

15 “(bb) MEDICAL DEBT.—The term ‘medical debt’  
16 means a debt arising from the receipt of medical services,  
17 products, or devices.

18 “(cc) MEDICALLY NECESSARY PROCEDURE.—The  
19 term ‘medically necessary procedure’ means—

20 “(1) health care services or supplies needed to  
21 diagnose or treat an illness, injury, condition, dis-  
22 ease, or its symptoms and that meet accepted stand-  
23 ards of medicine; and

24 “(2) health care to prevent illness or detect ill-  
25 ness at an early stage, when treatment is likely to

1 work best (including preventive services such as pap  
2 tests, flu shots, and screening mammograms).”.

3 (b) IN GENERAL.—Section 605(a) of the Fair Credit  
4 Reporting Act (15 U.S.C. 1681c(a)) is amended by adding  
5 at the end the following new paragraphs:

6 “(9) Any information related to a debt arising  
7 from a medically necessary procedure.

8 “(10) Any information related to a medical  
9 debt, if the date on which such debt was placed for  
10 collection, charged to profit or loss, or subjected to  
11 any similar action antedates the report by less than  
12 365 calendar days.”.

13 **SEC. 404. REQUIREMENTS FOR FURNISHERS OF MEDICAL**  
14 **DEBT INFORMATION.**

15 (a) ADDITIONAL NOTICE REQUIREMENTS FOR MED-  
16 ICAL DEBT.—Section 623 of the Fair Credit Reporting  
17 Act (15 U.S.C. 1681s–2) is amended by adding at the end  
18 the following:

19 “(f) ADDITIONAL NOTICE REQUIREMENTS FOR MED-  
20 ICAL DEBT.—Before furnishing information regarding a  
21 medical debt of a consumer to a consumer reporting agen-  
22 cy, the person furnishing the information shall send a  
23 statement to the consumer that includes the following:

24 “(1) A notification that the medical debt—

1           “(A) may not be included on a consumer  
2           report made by a consumer reporting agency  
3           until the later of the date that is 365 days  
4           after—

5                   “(i) the date on which the person  
6                   sends the statement;

7                   “(ii) with respect to the medical debt  
8                   of a borrower demonstrating hardship, a  
9                   date determined by the Director of the Bu-  
10                  reau; or

11                  “(iii) the date described under section  
12                  605(a)(10); and

13                  “(B) may not ever be included on a con-  
14                  sumer report made by a consumer reporting  
15                  agency, if the medical debt arises from a medi-  
16                  cally necessary procedure.

17                  “(2) A notification that, if the debt is settled or  
18                  paid by the consumer or an insurance company be-  
19                  fore the end of the period described under paragraph  
20                  (1)(A), the debt may not be reported to a consumer  
21                  reporting agency.

22                  “(3) A notification that the consumer may—

23                           “(A) communicate with an insurance com-  
24                           pany to determine coverage for the debt; or

25                           “(B) apply for financial assistance.”.

1 (b) FURNISHING OF MEDICAL DEBT INFORMA-  
2 TION.—Section 623 of the Fair Credit Reporting Act (15  
3 U.S.C. 1681s–2), as amended by subsection (a), is further  
4 amended by adding at the end the following:

5 “(g) FURNISHING OF MEDICAL DEBT INFORMA-  
6 TION.—

7 “(1) PROHIBITION ON REPORTING DEBT RE-  
8 LATED TO MEDICALLY NECESSARY PROCEDURES.—  
9 No person shall furnish any information to a con-  
10 sumer reporting agency regarding a debt arising  
11 from a medically necessary procedure.

12 “(2) TREATMENT OF OTHER MEDICAL DEBT IN-  
13 FORMATION.—With respect to a medical debt not  
14 described under paragraph (1), no person shall fur-  
15 nish any information to a consumer reporting agen-  
16 cy regarding such debt before the end of the 365-  
17 day period beginning on the later of—

18 “(A) the date on which the person sends  
19 the statement described under subsection (f) to  
20 the consumer;

21 “(B) with respect to the medical debt of a  
22 borrower demonstrating hardship, a date deter-  
23 mined by the Director of the Bureau; or

24 “(C) the date described in section  
25 605(a)(10).

1           “(3) TREATMENT OF SETTLED OR PAID MED-  
2           ICAL DEBT.—With respect to a medical debt not de-  
3           scribed under paragraph (1), no person shall furnish  
4           any information to a consumer reporting agency re-  
5           garding such debt if the debt is settled or paid by  
6           the consumer or an insurance company before the  
7           end of the 365-day period described under para-  
8           graph (2).

9           “(4) BORROWER DEMONSTRATING HARDSHIP  
10          DEFINED.—In this subsection, and with respect to a  
11          medical debt, the term ‘borrower demonstrating  
12          hardship’ means a borrower or a class of borrowers  
13          who, as determined by the Director of the Bureau,  
14          is facing or has experienced extenuating life cir-  
15          cumstances or events that result in severe financial  
16          or personal barriers such that the borrower or class  
17          of borrowers does not have the capacity to repay the  
18          medical debt.”.

19                   **TITLE V—ENDING DEBT**  
20           **COLLECTION HARASSMENT ACT**

21   **SEC. 501. SHORT TITLE.**

22           This title may be cited as the “Ending Debt Collec-  
23   tion Harassment Act of 2024”.

1 **SEC. 502. CONSUMER PROTECTIONS RELATING TO DEBT**  
2 **COLLECTION PRACTICES.**

3 (a) **REPORTS ON DEBT COLLECTION COMPLAINTS**  
4 **AND ENFORCEMENT ACTIONS.—**

5 (1) **SEMI-ANNUAL REPORT.**—Section 1016(c) of  
6 the Consumer Financial Protection Act of 2010 (12  
7 U.S.C. 5496(c)) is amended—

8 (A) in paragraph (8), by striking “and” at  
9 the end;

10 (B) in paragraph (9), by striking the pe-  
11 riod at the end and inserting a semicolon; and

12 (C) by adding at the end the following:

13 “(10) an analysis of the consumer complaints  
14 received by the Bureau with respect to debt collec-  
15 tion, including a State-by-State breakdown of such  
16 complaints;

17 “(11) an analysis of the number of people un-  
18 able to pay a debt because a debt collector is unable  
19 to accept a cash payment; and

20 “(12) a list of enforcement actions taken  
21 against debt collectors during the preceding year.”.

22 (2) **ANNUAL REPORT.**—Section 815(a) of the  
23 Fair Debt Collection Practices Act (15 U.S.C.  
24 1692m(a)) is amended by adding at the end the fol-  
25 lowing new sentence: “Each such report shall also  
26 include an analysis of the impact of electronic com-



1       munications by debt collectors on consumer experi-  
2       ences with debt collection, including a consideration  
3       of consumer complaints about the use of electronic  
4       communications in debt collection.”.

5       (b) LIMITATION ON DEBT COLLECTION RULES.—  
6 Section 1022 of the Consumer Financial Protection Act  
7 of 2010 (12 U.S.C. 5512) is amended by adding at the  
8 end the following:

9       “(e) LIMITATION ON DEBT COLLECTION RULES.—  
10 The Director may not issue any rule with respect to debt  
11 collection that does not prohibit a debt collector to send  
12 unlimited email, text messages, and direct messages  
13 through social media to a consumer.”.

14       (c) PROTECTION OF CONSUMERS FROM UNLIMITED  
15 TEXTS, EMAILS, AND SOCIAL MEDIA MESSAGES USED IN  
16 DEBT COLLECTION.—Section 806 of the Fair Debt Col-  
17 lection Practices Act (15 U.S.C. 1692d) is amended by  
18 adding at the end the following new paragraph:

19               “(7) Contacting the person electronically, in-  
20       cluding by email, text message, and direct message  
21       through social media, if—

22                       “(A) the communication is required to be  
23       in writing and the person has not consented to  
24       receive the communication electronically in ac-  
25       cordance with the requirements of the Elec-

1           tronic Signatures in Global and National Com-  
2           merce Act;

3           “(B) the communication is governed by the  
4           Telephone Consumer Protection Act and the  
5           person has not consented to receive such com-  
6           munication in accordance with the requirements  
7           of such Act;

8           “(C) consent by the person to receive the  
9           communication was not provided directly to the  
10          debt collector;

11          “(D) consent by the person to receive the  
12          communication electronically has been with-  
13          drawn; or

14          “(E) the frequency of contact by the debt  
15          collector is greater than consented to by the  
16          person.”.

17          (d) PROTECTION OF CONSUMERS FROM SOCIAL  
18          MEDIA COMMUNICATIONS IN DEBT COLLECTION.—Sec-  
19          tion 808(7) of the Fair Debt Collection Practices Act (15  
20          U.S.C. 1692f) is amended by inserting the following before  
21          the period: “or through a social media platform if the com-  
22          munication is viewable by the general public or the per-  
23          son’s social media contacts”.

24          (e) ENSURING CONSUMERS RECEIVE NOTICE OF  
25          DEBT COLLECTION PROTECTIONS.—Section 809(a) of the

1 Fair Debt Collection Practices Act (15 U.S.C. 1692g(a))  
2 is amended in the matter preceding paragraph (1)—

3 (1) by striking “Within five days” and all that  
4 follows through “any debt,” and inserting the fol-  
5 lowing: “NOTICE OF DEBT; CONTENTS.—Within five  
6 days after the initial communication with a con-  
7 sumer in connection with the collection of any  
8 debt,”; and

9 (2) by striking “, unless the following informa-  
10 tion is contained in the initial communication or the  
11 consumer has paid the debt,”.

12 (f) IMPROVED LIMITATIONS ON DEBT COLLECTION  
13 RULES.—Section 814(d) of the Fair Debt Collection Prac-  
14 tices Act (15 U.S.C. 1692l(d)) is amended by adding at  
15 the end the following: “Such rules—

16 “(1) may not allow a debt collector to send un-  
17 limited electronic communications to a consumer;

18 “(2) shall require debt collectors to obtain con-  
19 sent directly from consumers before contacting them  
20 using a method other than by postal mail or by tele-  
21 phone;

22 “(3) may not waive the requirements of the  
23 Electronic Signatures in Global and National Com-  
24 merce Act (15 U.S.C. 7001 et seq.); and

1           “(4) shall allow consumers to opt out of any  
2 method of communication that the debt collector  
3 uses to communicate with consumers, including a  
4 method for which such consumer had given prior  
5 consent.”.

## 6           **TITLE VI—STOP DEBT** 7           **COLLECTION ABUSE ACT**

### 8   **SEC. 601. SHORT TITLE.**

9           This title may be cited as the “Stop Debt Collection  
10 Abuse Act of 2024”.

### 11   **SEC. 602. DEFINITIONS.**

12           Section 803 of the Fair Debt Collection Practices Act  
13 (15 U.S.C. 1692a) is amended—

14           (1) in paragraph (4), by striking “facilitating  
15 collection of such debt for another” and inserting  
16 “collection of such debt”;

17           (2) by amending paragraph (5) to read as fol-  
18 lows:

19           “(5) The term ‘debt’ means any obligation or  
20 alleged obligation of a consumer—

21           “(A) to pay money arising out of a trans-  
22 action in which the money, property, insurance  
23 or services which are the subject of the trans-  
24 action are primarily for personal, family, or

1 household purposes, whether or not such obliga-  
2 tion has been reduced to judgment;

3 “(B) to pay a loan, overpayment, fine, pen-  
4 alty, restitution, fee, or other money currently  
5 or originally owed to or guaranteed by a Fed-  
6 eral or State government, including any courts  
7 or agencies; or

8 “(C) which is secured by real or personal  
9 property that is used or was obtained primarily  
10 for personal, family, or household purposes,  
11 where such property is subject to forfeiture or  
12 repossession upon nonpayment of the obligation  
13 or alleged obligation.

14 The enforcement of a debt described in subpara-  
15 graph (C) is deemed to be a collection of a debt.”;  
16 and

17 (3) in paragraph (6)—

18 (A) by redesignating subparagraphs (A)  
19 through (F) as clauses (i) through (vi), respec-  
20 tively;

21 (B) in clause (iii), as so redesignated, by  
22 inserting “(not including an independent con-  
23 tractor)” after “any State”;

24 (C) by amending clause (vi), as so redesi-  
25 gnated, to read as follows:

1           “(vi) any person collecting or attempting  
2           to collect any debt owed or due or asserted to  
3           be owed or due another to the extent such ac-  
4           tivity—

5                   “(I) is incidental to a bona fide fidu-  
6                   ciary obligation or a bona fide escrow ar-  
7                   rangement;

8                   “(II) concerns a debt which was origi-  
9                   nated by such person;

10                   “(III) concerns a debt which was not  
11                   in default at the time it was obtained by  
12                   such person; or

13                   “(IV) concerns a debt obtained by  
14                   such person as a secured party in a com-  
15                   mercial credit transaction involving the  
16                   creditor.”;

17                   (D) by striking the paragraph designation  
18                   and the first and second sentences and insert-  
19                   ing the following:

20                   “(6)(A) The term ‘debt collector’ means—

21                           “(i) any person who uses any instrumen-  
22                           tality of interstate commerce or the mails in  
23                           any business the principal purpose of which is  
24                           the collection of any debts;

1           “(ii) any person who regularly collects or  
2 attempts to collect, directly or indirectly, by the  
3 person’s own means or by hiring another debt  
4 collector, debts owed or due or asserted to be  
5 owed or due another or that have been obtained  
6 by assignment or transfer from another;

7           “(iii) any person who regularly collects  
8 debts currently or originally owed or allegedly  
9 owed to a Federal or State agency or court; or

10           “(iv) notwithstanding subparagraph  
11 (B)(vi), any creditor who in the process of col-  
12 lecting debts of such creditor, uses another  
13 name that would indicate that a third person is  
14 collecting or attempting to collect such debts.”;  
15 and

16           (E) in the fourth sentence, by striking  
17 “The term does not include” and inserting the  
18 following:

19           “(B) The term does not include”.

20 **SEC. 603. DEBT COLLECTION PRACTICES FOR DEBT COL-**  
21 **LECTORS HIRED BY FEDERAL AGENCIES.**

22           (a) IN GENERAL.—The Fair Debt Collection Prac-  
23 tices Act (15 U.S.C. 1692 et seq.) is amended by inserting  
24 after section 812 (15 U.S.C. 1692j) the following:

1 **“§ 812A. Debt collection practices for debt collectors**  
2 **hired by Federal agencies**

3 “(a) LIMITATION ON TIME TO TURN DEBT OVER TO  
4 DEBT COLLECTOR.—A Federal agency that is a creditor  
5 may not sell or transfer a debt described in section  
6 803(5)(B) to a debt collector earlier than 90 days after  
7 the date on which the obligation or alleged obligation be-  
8 comes delinquent or defaults.

9 “(b) REQUIRED NOTICE.—

10 “(1) IN GENERAL.—Before transferring or sell-  
11 ing a debt described in section 803(5)(B) to a debt  
12 collector or contracting with a debt collector to col-  
13 lect such a debt, a Federal agency shall notify the  
14 consumer not fewer than 3 times that the Federal  
15 agency will take such action.

16 “(2) FREQUENCY OF NOTIFICATIONS.—The  
17 second and third notifications described in para-  
18 graph (1) shall be made not less than 30 days after  
19 the date on which the previous notification is  
20 made.”.

21 (b) CLERICAL AMENDMENT.—The table of contents  
22 for the Fair Debt Collection Practices Act is amended by  
23 inserting after the item relating to section 812 the fol-  
24 lowing:

“812A. Debt collection practices for debt collectors hired by Federal agencies.”.



1 **SEC. 604. UNFAIR PRACTICES.**

2 Section 808 of the Fair Debt Collection Practices Act  
3 (15 U.S.C. 1692f) is amended by striking paragraph (1)  
4 and inserting the following:

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

8 “(A) such amount is expressly authorized  
9 by the agreement creating the debt or permitted  
10 by law; and

11 “(B) in the case of any amount charged by  
12 a debt collector collecting a debt described in  
13 section 803(5)(B), such amount is—

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

16 “(ii) authorized by a contract between  
17 the debt collector and the Federal or State  
18 government; and

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

22 **SEC. 605. GAO STUDY AND REPORT.**

23 (a) STUDY.—The Comptroller General of the United  
24 States shall commence a study on the use of debt collec-  
25 tors by Federal and State government agencies, includ-  
26 ing—

1           (1) the powers given to the debt collectors by  
2       Federal and State government agencies;

3           (2) the contracting process that allows a Fed-  
4       eral or State government agency to award debt col-  
5       lection to a certain company, including the selection  
6       process;

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

9           (4) how the fees described in paragraph (3)  
10      vary from State to State;

11          (5) consumer protection at the Federal and  
12      State level that offer recourse to those whom debts  
13      have been wrongfully attributed;

14          (6) the revenues received by debt collectors  
15      from Federal and State government agencies;

16          (7) the amount of any revenue sharing agree-  
17      ments between debt collectors and Federal and State  
18      government agencies;

19          (8) the difference in debt collection procedures  
20      across geographic regions, including the extent to  
21      which debt collectors pursue court judgments to col-  
22      lect debts;

23          (9) information regarding the amount collected  
24      by Federal and State government agencies through  
25      debt collectors, including the total amount and the

1 percentage of the amount referred to the debt collec-  
2 tors;

3 (10) the full cost of outsourcing collection to  
4 debt collectors;

5 (11) government agency oversight of debt col-  
6 lectors to ensure that the rights of a consumer (as  
7 defined in section 803(3) of the Fair Debt Collection  
8 Practices Act (15 U.S.C. 1692a(3))) are protected  
9 and that any debt relief and payment options legally  
10 available to consumers is effectively communicated  
11 and made available;

12 (12) the extent to which Federal and State con-  
13 tracts with debt collectors reflect or omit effective  
14 measures to encourage debt collectors to align their  
15 practices with public policy concerns (including relief  
16 for consumers experiencing financial hardship) be-  
17 yond maximizing debt collection;

18 (13) the extent to which debt collectors induce  
19 payment through use or threat of adverse govern-  
20 ment actions, such as arrest warrants or suspension  
21 of licenses or vehicle registration; and

22 (14) demographic data, including race and in-  
23 come information, regarding the individuals subject  
24 to private collection of debts owed to government en-  
25 tities.

1 (b) REPORT.—Not later than 1 year after the date  
2 of enactment of this Act, the Comptroller General of the  
3 United States shall submit to Congress a report on the  
4 completed study required under subsection (a).

5 (c) STATE DEFINED.—For the purposes of this sec-  
6 tion, the term “State” has the meaning given the term  
7 section 803 of the Fair Debt Collection Practices Act.

8 **TITLE VII—DEBT COLLECTION**  
9 **PRACTICES HARMONIZATION**  
10 **ACT**

11 **SEC. 701. SHORT TITLE.**

12 This title may be cited as the “Debt Collection Prac-  
13 tices Harmonization Act”.

14 **SEC. 702. AWARD OF DAMAGES.**

15 (a) ADDITIONAL DAMAGES INDEXED FOR INFLA-  
16 TION.—

17 (1) IN GENERAL.—Section 813 of the Fair  
18 Debt Collection Practices Act (15 U.S.C. 1692k) is  
19 amended—

20 (A) in subsection (a)(2)—

21 (i) in subparagraph (A), by striking “;  
22 or” and inserting the following: “with re-  
23 spect to any one action taken by a debt  
24 collector in violation of this subchapter;  
25 or”;

1 (ii) in subparagraph (B)(ii), by strik-  
2 ing “or 1 per centum of the net worth of  
3 the debt collector; and” and inserting the  
4 following: “or 5 percent of the gross an-  
5 nual revenue of the debt collector; and”;

6 (B) in subsection (b), by inserting “the  
7 maximum amount of statutory damages at the  
8 time of noncompliance,” before “the frequency”  
9 each place it appears; and

10 (C) by adding at the end the following:

11 “(f) ADJUSTMENT FOR INFLATION.—

12 “(1) INITIAL ADJUSTMENT.—Not later than 90  
13 days after the date of the enactment of this sub-  
14 section, the Bureau shall provide a percentage in-  
15 crease (rounded to the nearest multiple of \$100 or  
16 \$1,000, as applicable) in the amounts set forth in  
17 this section equal to the percentage by which—

18 “(A) the Consumer Price Index for All  
19 Urban Consumers (all items, United States city  
20 average) for the 12-month period ending on the  
21 June 30 preceding the date on which the per-  
22 centage increase is provided, exceeds

23 “(B) the Consumer Price Index for the 12-  
24 month period preceding January 1, 1978.

1           “(2) ANNUAL ADJUSTMENTS.—With respect to  
2           any fiscal year beginning after the date of the in-  
3           crease provided under paragraph (1), the Bureau  
4           shall provide a percentage increase (rounded to the  
5           nearest multiple of \$100 or \$1,000, as applicable) in  
6           the amounts set forth in this section equal to the  
7           percentage by which—

8                   “(A) the Consumer Price Index for All  
9                   Urban Consumers (all items, United States city  
10                  average) for the 12-month period ending on the  
11                  June 30 preceding the beginning of the fiscal  
12                  year for which the increase is made, exceeds

13                   “(B) the Consumer Price Index for the 12-  
14                  month period preceding the 12-month period  
15                  described in subparagraph (A).”.

16           (2) APPLICABILITY.—The increases made under  
17           section 813(f) of the Fair Debt Collection Practices  
18           Act, as added by paragraph (1)(C) of this sub-  
19           section, shall apply with respect to failures to comply  
20           with a provision of such Act (15 U.S.C. 1601 et  
21           seq.) occurring on or after the date of enactment of  
22           this section.

23           (b) INJUNCTIVE RELIEF.—Section 813(d) of the Fair  
24           Debt Collection Practices Act (15 U.S.C. 1692k(d)) is  
25           amended by adding at the end the following: “In a civil

1 action alleging a violation of this title, the court may  
2 award appropriate relief, including injunctive relief.”.

3 **SEC. 703. PROHIBITION ON THE REFERRAL OF EMERGENCY**

4 **INDIVIDUAL ASSISTANCE DEBT.**

5 Chapter 3 of title 31, United States Code, is amend-  
6 ed—

7 (1) in subchapter II, by adding at the end the  
8 following:

9 **“§ 334. Prohibition on the referral of emergency indi-  
10 vidual assistance debt**

11 “With respect to any assistance provided by the Fed-  
12 eral Emergency Management Agency to an individual or  
13 household pursuant to the Robert T. Stafford Disaster Re-  
14 lief and Emergency Assistance Act (42 U.S.C. 5122 et  
15 seq.), if the Secretary of the Treasury seeks to recoup any  
16 amount of such assistance because of an overpayment, the  
17 Secretary may not contract with any debt collector as de-  
18 fined in section 803(6) of the Fair Debt Collection Prac-  
19 tices Act (15 U.S.C. 1692a(6)) or other private party to  
20 collect such amounts, unless the overpayment occurred be-  
21 cause of fraud or deceit and the recipient of such assist-  
22 ance knew or should have known about such fraud or de-  
23 ceit.”; and

1 (2) in the table of contents for such chapter, by  
2 inserting after the item relating to section 333 the  
3 following:

“334. Prohibition on the referral of emergency individual assistance debt.”.

4 **TITLE VIII—NON-JUDICIAL**  
5 **FORECLOSURE DEBT COL-**  
6 **LECTION CLARIFICATION ACT**

7 **SEC. 801. SHORT TITLE.**

8 This title may be cited as the “Non-Judicial Fore-  
9 closure Debt Collection Clarification Act”.

10 **SEC. 802. ENFORCEMENT OF SECURITY INTERESTS.**

11 Section 803(6) of the Fair Debt Collection Practices  
12 Act (15 U.S.C. 1692a(6)) is further amended by striking  
13 “For the purpose of section 808(6), such term also in-  
14 cludes any person who uses any instrumentality of inter-  
15 state commerce or the mails in any business the principal  
16 purpose of which is the enforcement of security inter-  
17 ests.”.

18 **TITLE IX—MISCELLANEOUS**  
19 **PROVISIONS**

20 **SEC. 901. EFFECTIVE DATE.**

21 Except as otherwise provided in this Act, this Act and  
22 the amendments made by this Act shall take effect on the  
23 date that is 180 days after the date of enactment of this  
24 Act.