

Bill Introduced in Congress to Exclude Attorneys and Law Firms from the FDCPA's Definition of "Debt Collector"

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Yesterday, December 5, 2017, Texas Democrat Vincente Gonzalez introduced a bill in the House of Representatives to amend the Fair Debt Collection Practices Act's definition of a "debt collector." The Bill also seeks to amend the supervisory and enforcement authority that the Consumer Financial Protection Bureau has with respect to attorneys.

The text of the bill is not yet available, however, a summary of the bill states that the proposed legislature seeks:

To amend the Fair Debt Collection Practices Act to exclude law firms and licensed attorneys who are engaged in activities related to legal proceedings from the definition of a debt collector, to amend the Consumer Financial Protection Act of 2010 to prevent the Bureau of Consumer Financial Protection from exercising supervisory or enforcement authority with respect to attorneys when undertaking certain actions related to legal proceedings, and for other purposes.

2017 H.R.4550. Section 1692a(6) the FDCPA, defines a "debt collector" as one who "regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another..." This Section of the FDCPA enumerates persons that are not to be included in the definition. Attorneys and law firms would be added to that list.

The Hinshaw team will provide further details as the text of the bill becomes available.

Topics

FDCPA, Debt Collection, Fair Debt Collection Practices Act, Consumer Financial Protection Act