CONSUMER FINANCIAL PROTECTION BUREAU | NOVEMBER 2025

Fair Debt Collection Practices Act

CFPB Annual Report 2025

Consumer Financial Protection Bureau

Table of Contents

1. Introduction

The Consumer Financial Protection Act (CFPA) requires the Consumer Financial Protection Bureau (CFPB) to report annually on the CFPB's activities to administer the Fair Debt Collection Practices Act (FDCPA) and enables the CFPB to obtain the views of other agencies that enforce the FDCPA.[1] This report summarizes certain activities carried out by the CFPB and other federal agencies relating to debt collection during 2024.

1.1 The Fair Debt Collection Practices Act

While attempting to collect debts, debt collectors must adhere to numerous laws and regulations, including those governing telephone communications (e.g., the Telephone Consumer Protection Act, or TCPA), the furnishing of information to credit reporting companies (e.g., the Fair Credit Reporting Act, or FCRA), and various state statutes. Debt collectors are also subject to the CFPA, including its prohibition on unfair, deceptive, or abusive acts and practices. Additionally, debt collectors are subject to the Federal Trade Commission (FTC) Act's prohibition on unfair methods of competition and unfair or deceptive acts or practices.[2]

The FDCPA, however, is the primary federal law that governs the conduct of debt collectors.[3] The FDCPA establishes consumer protections in the debt collection process, including a consumer's right to dispute an alleged debt. The FDCPA prohibits debt collectors from engaging in certain types of conduct in connection with the collection of a debt. Among its provisions, the FDCPA prohibits collectors from: (1) harassing, oppressing, or abusing consumers[4]; (2) utilizing false, deceptive, or misleading representations or means when collecting or attempting to collect[5]; and (3) using unfair or unconscionable means to collect or attempt to collect a debt.[6]

The FDCPA empowers the CFPB and other agencies to enforce its provisions and establishes a private right of action against any debt collector who fails to comply with the FDCPA. The FDCPA also requires the CFPB to submit this annual report on "the administration of its

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[1] 15 U.S.C. § 1692m.

[2] 15 U.S.C. § 45(a)(1).

[3] 15 U.S.C. § 1692 *et seq.*

[4] 15 U.S.C. § 1692d.

[5] 15 U.S.C. § 1692e.

[6] 15 U.S.C. § 1692f.

functions” under the FDCPA and enables it to “obtain … the views” of other agencies that enforce the FDCPA.[7]

[7] 15 U.S.C. § 1692m.

2. Consumer complaints

Collecting, investigating, and responding to consumer complaints is one of the six statutory "primary functions" of the CFPB.[8] The CFPB facilitates the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products or services and maintains procedures to provide timely responses to consumer complaints and inquiries.[9] With respect to debt collection, consumers can submit complaints about creditors collecting their own debts (i.e., first-party collectors) or companies collecting debt on behalf of others, such as creditors or businesses (i.e., third-party collectors). When the CFPB receives debt collection complaints about companies where it is not the primary federal regulator (e.g., depository institutions with $10 billion or less in assets), it refers the complaints to other regulatory agencies or a prudential regulator.

The FTC accepts reports from consumers about problems they experience in the marketplace. These reports are stored in the Consumer Sentinel Network (Sentinel), a secure online database available only to law enforcement. The CFPB shares complaint information with the FTC's Sentinel system.

2.1 Number and type of complaints handled

The CFPB received approximately 207,800 debt collection complaints in 2024—seven percent of total complaints received that year.[10] Of these 207,800 debt collection complaints, the CFPB

[8] 12 U.S.C. § 5511(c).

[9] 12 U.S.C. § 5493(b)(3).

[10] *See* CFPB, *2024 Consumer Response Annual Report*, (May 2025), https://www.consumerfinance.gov/data-research/research-reports/2024-consumer-response-annual-report/. This report summarizes CFPB complaints received from January to December 2024. Companies have up to 60 days to provide a response to a complaint. To allow sufficient time for the complaint process to conclude, complaint data in this report are current as of March 3, 2025. As of that date, 0.2 percent of debt collection complaints received in 2024 were still pending with the consumer, and 0.3 percent were still pending with the CFPB. This report excludes some complaints that the CFPB received, including multiple complaints submitted by a given consumer on the same issue (i.e., duplicates) and whistleblower tips. Complaint numbers are rounded throughout the report; therefore, numbers and percentages may not sum to 100 percent.

sent 77 percent (or 159,700) to companies for their review and response, referred 18 percent to other regulatory agencies, and found five percent to be not actionable.[11]

Companies responded to approximately 97 percent of debt collection complaints sent to them for review and response.[12] When companies respond, their response is categorized into one of the following options: closed with monetary relief,[13] closed with non-monetary relief,[14] closed with explanation,[15] administrative response,[16] or in progress. Companies closed 67 percent of complaints with an explanation, 27 percent with non-monetary relief, and 0.2 percent with monetary relief (Figure 1). Companies provided an administrative response for two percent of complaints. As of March 3, 2025, two percent of complaints were pending review by the company. Companies did not provide a timely response for two percent of complaints.

[11] Complaints that are not actionable are not sent to the company for a response or referred to other agencies for processing. These complaints include incomplete submissions, withdrawn complaints, and complaints in which the CFPB discontinued processing because it had reason to believe that a submitter did not disclose its involvement in the complaint process.

[12] *See* generally CFPB, *Consumer Response Annual Report*, at sec. 4.2 (Apr. 2025), https://files-prod.consumerfinance.gov/f/documents/cfpb_cr-annual-report_2025-05.pdf (discussing company response elements and response closure categories).

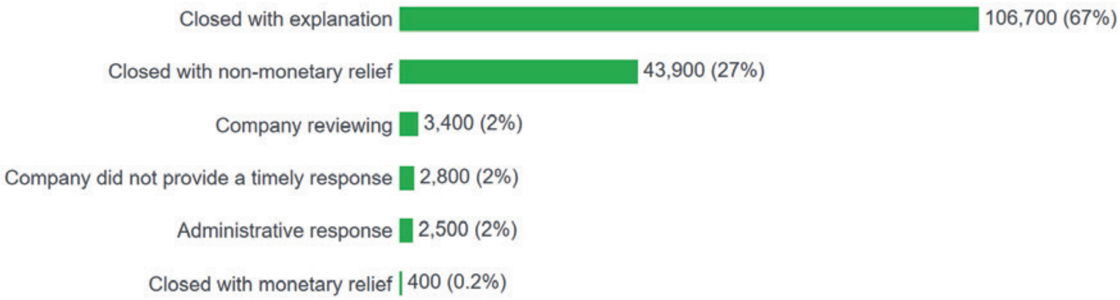
[13] *Monetary relief* is objective, measurable, and verifiable monetary relief to the consumer as a direct result of the steps that have been or will be taken in response to the complaint.

[14] *Non-monetary relief* is other objective and verifiable relief to the consumer as a direct result of the steps that have been or will be taken in response to the complaint (e.g., stopping unwanted calls from debt collectors; correcting account information; correcting inaccurate data provided or reported in consumers' credit reports; issuing corrected documents; restoring account access; and, addressing formerly unmet customer service issues).

[15] *Closed with explanation* indicates that the steps taken by the company in response to the complaint included an explanation that was tailored to the individual consumer's complaint. For example, this category is used if the explanation substantively meets the consumer's desired resolution or explains why no further action will be taken. Companies should select the "Closed with explanation" category when specific, verifiable monetary or non-monetary relief was not provided to the consumer in response to issues raised in the complaint.

[16] When a company cannot take action on a complaint because it was submitted by unauthorized third parties, was the result of fraud, scams or business identity theft, or the company cannot confirm a commercial relationship with the consumer, the company can provide an administrative response that includes a statement or other evidence supporting this response.

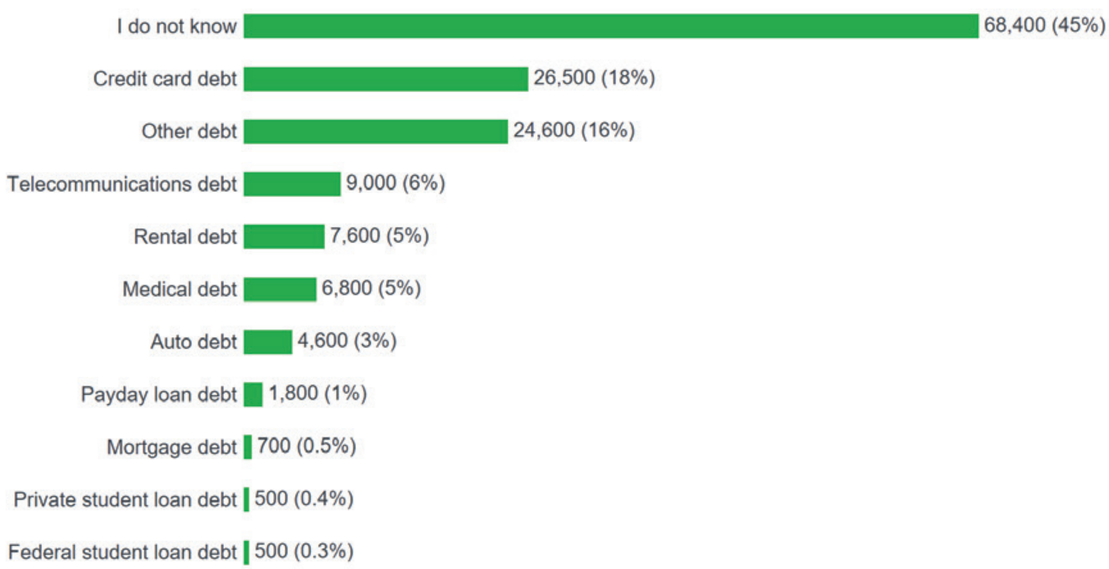
FIGURE 1: DEBT COLLECTION COMPLAINTS BY COMPANY RESPONSE



The remainder of this analysis focuses only on those debt collection complaints for which the company confirmed a commercial relationship with the consumer and responded with an explanation or relief (i.e., complaints closed with explanation, closed with non-monetary relief, and closed with monetary relief).

When submitting debt collection complaints, consumers specify the category of debt.[17] In 2024, credit card debt was the most complained about category after *I do not know* (Figure 2).

FIGURE 2: DEBT COLLECTION COMPLAINTS BY CATEGORY OF DEBT

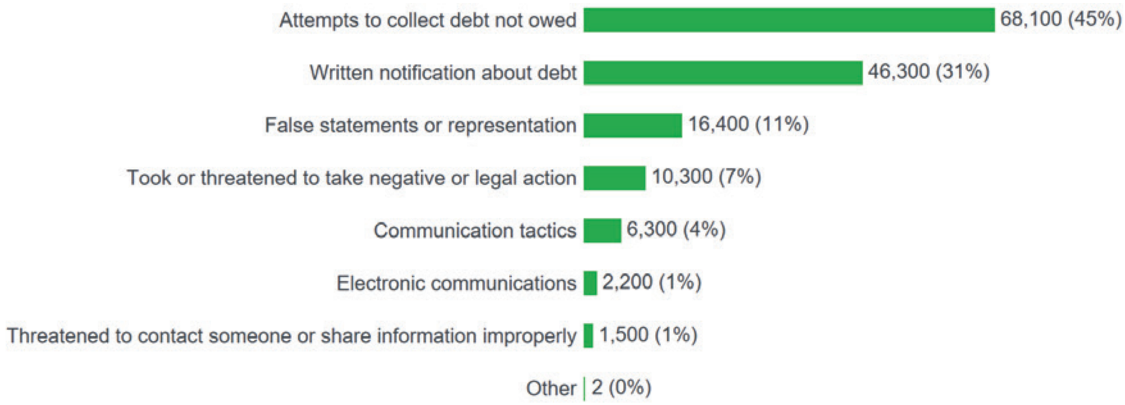


[17] The categories of debt consumers can select from are: auto debt, credit card debt, federal student loan debt, medical debt, mortgage debt, payday loan debt, private student loan debt, other debt (e.g., phone bill, health club membership, utilities), and debt that is not known.

2.2 Consumer issues in debt collection complaints

When submitting complaints, consumers identify the issue that best describes the problem they experienced. In 2024, the most common issue was *attempts to collect debt not owed* (Figure 3).

FIGURE 3: DEBT COLLECTION COMPLAINTS BY ISSUES



Complaints about attempts to collect a debt that the consumer reports are not owed has been the predominant issue selected by consumers since the CFPB began accepting debt collection complaints in 2013. Most consumers who stated that the debt is not owed report that the debt is not their debt (60 percent). Consumers described being contacted about debts they do not recognize, attempts to collect a debt that belongs to someone else, and being in collections for services or products they did not receive. Consumers also reported that the debt resulted from identity theft (28 percent). In these complaints, consumers often reported that they learned about the debt after reviewing their credit report or after receiving an alert from a credit monitoring service. Many of these consumers described completing an identity theft report and contacting the collectors listed on their credit report in an attempt to remove the debt. In addition to these issues, consumers also complained that their debt was paid (10 percent) or was discharged in bankruptcy and is no longer owed (three percent).

Complaints involving written notifications about debt were the second-most common issue selected by consumers. The FDCPA requires collectors, within five days after the initial communication with a consumer, to provide the consumer with a written notice informing them, among other things, of their right to dispute, unless this information is contained in the initial communication, or the consumer has paid the debt.[18] Nearly half of consumers who

[18] 15 U.S.C. § 1692g(a).

complained about written notifications report that the notification did not disclose that it was an attempt to collect a debt (47 percent). Some consumers complained that they had not received enough information to verify the debt (29 percent). Receiving too little information in written notifications about a debt is especially common in complaints about medical debt.[19] Consumers often complained of notices being vague and not having sufficient information to identify the account in question. Therefore, in their complaints, consumers often asked for additional information, including supporting documentation.

Consumers continued to report first learning of the debt after reviewing their credit report. These consumers often stated that the limited amount of information furnished on their credit report made it difficult to understand details about the source of the debt. Some consumers complained that they did not receive a notice of their right to dispute the debt (24 percent).

The vast majority of complaints about false statements or representations were about attempts to collect the wrong amount from the consumer (91 percent). In addition, consumers reported that companies impersonated an attorney or a law enforcement or government official (five percent), indicated the consumer committed a crime by not paying debt (three percent), or indicated that the consumer should not respond to a lawsuit (0.8 percent).

Complaints about taking or threatening to take a negative or legal action were the fourth-most common issue complained about in 2024, representing seven percent of debt collection complaints. Most of these complaints were about threats or suggestions that consumers' credit histories would be damaged (59 percent), threats to sue on a debt that is old (14 percent) or being sued without proper notification of the lawsuit (11 percent). Other complaints related to seizures or attempts to seize property (six percent), collection of or attempts to collect exempt funds such as child support or unemployment benefits (four percent), threats to arrest or jail consumers if they did not pay (three percent), being sued in a different state from where the consumer lives or where the consumer signed the contract (two percent), or threats of deportation or turning the consumer in to immigration authorities (less than one percent).

Consumers submitted complaints describing companies' communication tactics used when collecting debts with many of these types of complaints concerning communications held over the phone. The majority of complaints about communication tactics were about frequent or repeated calls (51 percent). Complaints of continued contact attempts despite requests to stop contact were also common (34 percent). Other communication tactics complaints related to reports of companies using obscene, profane, or abusive language (10 percent), or calling

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[19] See, e.g., *CFPB, Complaint Bulletin: Medical billing and collection issues described in consumer complaints* (Apr. 2022), https://files.consumerfinance.gov/f/documents/cfpb_complaint-bulletin-medical-billing_report_2022-04.pdf.

outside of the FDCPA's convenient calling hours from 8:00 a.m. to 9:00 p.m. at the consumer's location (five percent).

Among debt collection complaints reporting an electronic communication issue, the most commonly reported sub-issue was frequent or repeated messages (58 percent), followed by told them to stop contacting you, but they keep trying (32 percent).

In complaints about debt collectors threatening to contact someone or sharing information improperly, consumers most often reported that the collector talked to a third party about the debt (56 percent), contacted the consumer after being asked not to do so (27 percent), contacted an employer (16 percent), or contacted the consumer directly instead of contacting their attorney (two percent).

3. Supervision

This section provides a summary of the CFPB's supervisory activities as they relate to consumer debt collection during 2024. Under the CFPA, the CFPB has the authority to supervise certain entities that engage in consumer debt collection activities. These include nonbank entities that are larger participants in the consumer debt collection market. Under the CFPB's larger participant rule for the consumer debt collection market, the CFPB has supervisory authority over certain non-bank entities with more than $10 million in annual receipts from consumer debt collection activities.[20] Receipts from the collection of bills for medical services and commercial debt are generally not used in this determination. The CFPB publishes Supervisory Highlights to help institutions and the general public better understand how we examine firms for compliance with Federal consumer financial laws. Supervisory Highlights summarize existing legal requirements and violations identified during the CFPB's exercise of supervisory and enforcement authority.

3.1 Supervisory highlights from examinations

Examinations of larger participant debt collectors identified several violations of the FDCPA. The findings discussed in this section are from examination results publicly reported in 2024, which could include examination findings reached prior to 2024. Specifically, reported findings cover CFPB's examinations that were completed from January 1, 2023 to December 31, 2023. Additionally, a summary of developments in 2024 in the CFPB's supervision program and remedial actions related to debt collections can be found in the Supervisory Highlights published in Summer 2024, which addressed the servicing and collection of consumer debt.[21]

3.1.1 Failure to provide debt validation notice to consumers

Section 1006.34(a) of Regulation F requires that within five days after the initial communication with the consumer in connection with the collection of any debt, a debt collector must send a written or electronic validation notice unless the validation information is contained, or

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[20] CFPB, *Defining Larger Participants of the Consumer Debt Collection Market*, (Oct. 2012), https://www.consumerfinance.gov/rules-policy/final-rules/defining-larger-participants-consumer-debt-collection-market/.

[21] CFPB, *Supervisory Highlights: Servicing and Collection of Consumer Debt*, (July 2024), https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-34_2024-07.pdf.

provided orally, in the initial communication or the consumer has paid the debt before the validation information is required to be provided.[22] A written or electronic validation notice must be sent in a manner that is reasonably expected to provide actual notice to the consumer.[23] Under Regulation F, a debt collector who sends the requisite validation disclosure in writing or electronically but receives notice that the disclosure was not delivered to the consumer has not sent the disclosure in a manner that is reasonably expected to provide actual notice.[24]

Examiners found that debt collectors failed to provide the requisite validation notice either orally or in writing within five days of, the initial communication with consumers. This happened when the initial communication occurred via telephone, but after the debt collector had received notice that its prior written disclosure was not delivered to the consumer. In response to these findings, debt collectors are revising their procedures and enhancing monitoring and training with respect to providing debt validation notices in these circumstances.

Examiners also found that student loan debt collectors failed to provide validation notices as required where the initial communication with the consumer occurred in writing. In response to these findings, the debt collectors will update their written communications with borrowers to provide the validation information.

3.1.2 Using false, deceptive, or misleading representations

Examiners found that student loan debt collectors violated Regulation F's prohibition on the use of false or misleading representations.[25] As a result of these violations, the borrowers may have reasonably believed that the FDCPA did not apply and may have been misled about their rights under the FDCPA, such as their right to dispute the debt.

First, examiners found that debt collectors used false, deceptive, or misleading representations or means in connection with collection of a debt when they used a business, company, or organization name other than the true name of the debt collectors' business, company, or organization.[26] In written communications and telephone calls reviewed by examiners, the debt collectors used different names and failed to disclose their true company names. In response to

[22] 12 C.F.R. 1006.34(a).

[23] 12 C.F.R. 1006.42(a).

[24] 12 C.F.R. pt. 1006, Supp. I, Comment 42(a)(1)–2.

[25] 12 C.F.R. § 1006.18.

[26] 12 C.F.R § 1006.18(c)(4).

these findings, the debt collectors will cease using incorrect names and update all call scripts and written correspondence to use their true company names.

Second, examiners found that debt collectors also used false, deceptive, or misleading representations or means in connection with collection of a debt when they failed to provide key initial disclosures in communications with borrowers. Regulation F requires debt collectors to disclose, in initial communications with consumers, that the debt collectors are attempting to collect a debt and that any information obtained will be used for that purpose.[27] If the debt collectors' initial communication with the consumer is oral, the debt collectors must make the disclosure again in their initial written communication with the consumer. And in all subsequent communications with the consumer, the debt collectors must disclose that the communication is from a debt collector. Examiners observed that the debt collectors failed to provide these disclosures in written communications and telephone calls with borrowers. In response to these findings, the debt collectors will update their written communications and call scripts to provide the required disclosures.

3.1.3 Communicating with consumers at inconvenient or unusual times or places

Section 1006.6(b)(1) of Regulation F prohibits communicating or attempting to communicate, including electronically, with a consumer at a time or place the debt collector knows or should know to be inconvenient or unusual, with communications before 8 a.m. or after 9 p.m. in the consumer's time zone presumed to be inconvenient in the absence of any knowledge of circumstances to the contrary.[28] Examiners found that debt collectors communicated with consumers at times and places known by the collectors to be inconvenient or unusual. For example, debt collectors sent payment reminder emails to the consumer before 8 a.m. in the consumer's time zone. Examiners identified multiple phone calls where the consumer directly informed the collectors' agent that it was an inconvenient time or place for the consumer, but the agents continued the conversations beyond permissible follow-up questions. For example, examiners identified multiple instances where consumers told debt collectors' agents that it was an inconvenient time to talk, either because they were at work or driving, but the agents continued the conversation. Examiners also identified instances in which a consumer informed a debt collector's agent that it was a "bad time" to discuss the debt in question because they were at church without a wallet, but the agent nevertheless continued to discuss the debt. In response to these findings, the debt collectors are enhancing their policies and procedures and training to

[27] 12 C.F.R. § 1006.18(e)(1)-(2).

[28] 12 C.F.R. 1006.6(b)(1).

ensure that they do not communicate with consumers at inconvenient or unusual times or places.

3.1.4 Harassing, oppressive, or abusive conduct in connection with the collection of debt

Section 1006.14(a) of Regulation F prohibits debt collectors, in connection with the collection of any debt, from engaging in any conduct the natural consequences of which would be to harass, oppress, or abuse any person.[29] Examiners found that debt collectors engaged in harassing, oppressive, or abusive conduct in connection with the collection of debt. For example, in phone calls, consumers explained to the debt collectors' agents that they were unable to make payments according to a prior settlement agreement because of a recent hospital stay. In response to consumers' explanations of the medical difficulties that left them without enough money to pay the debt in question, the agents took an aggressive tone and were verbally abusive towards the consumers. At other debt collectors, consumers requested that the debt collectors stop contacting them. Despite this request, the debt collectors subsequently placed over 100 telephone calls to the consumers. Although the frequency of calls to the consumer was within the limits established by Section 1006.14(b)(2)(i), and so the collectors were entitled to a presumption that their conduct was not harassing, examiners found that the collectors placing over 100 calls to the consumer after being specifically asked to stop overcame that presumption and had the effect of harassing the consumer. In response to these findings, debt collectors are enhancing their training and oversight to prevent harassing communications.

3.1.5 Failure to cease communicating through a specific medium after a consumer request

Section 1006.14(h) of Regulation F provides that if a consumer has requested that the debt collector not use a medium of communication to communicate with the consumer, the debt collector must not use that medium to communicate or attempt to communicate with the consumer in connection with the collection of any debt, with certain exceptions.[30] For example, Regulation F explains that if a consumer requests that a debt collector "stop calling" the consumer, the debt collector is prohibited from communicating or attempting to communicate with the consumer through telephone calls.[31] The regulation also states that, within a medium of

[29] 12 C.F.R. 1006.14(a).

[30] 12 C.F.R. 1006.14(h).

[31] 12 C.F.R. pt. 1006, Supp. I, Comment 14(h)(1)–3.

communication, a person may request that a debt collector not use a specific address or telephone number.[32]

Examiners found that debt collectors communicated or attempted to communicate with consumers through a medium of communication, such as a text message, and/or through a specific telephone number that the consumers had requested the debt collectors not use to communicate with the consumers. In response to these findings, debt collectors are revising their procedures and enhancing monitoring and training to prevent communications, or attempts to communicate, through specified mediums following a consumer's request.

3.1.6 Failure to disclose in subsequent communications that communication is from a debt collector

Section 1006.18(e) of Regulation F requires that a debt collector disclose, in each communication subsequent to the initial communication with the consumer, that the communication is from a debt collector. Examiners found that debt collectors failed to disclose in subsequent communications that those communications were from a debt collector. Examiners found that the debt collectors' service providers, when communicating about the debt with consumers on the telephone or via text message on behalf of the collectors, failed to disclose that the communication was from a debt collector. Examiners also found that when consumers requested an electronic payment confirmation, service providers responsible for producing those confirmations on behalf of debt collectors failed to include the required disclosure that the communication was from a debt collector. In response to these findings, the debt collectors are enhancing their service provider oversight.

3.1.7 Incorrect documentation related to the statute of limitations in credit card collections

Examiners found that credit card issuers engaged in an unfair act or practice when they failed to properly calculate and document the debt collection statute of limitations for a particular state and then sold the credit card debt to debt collectors. The statute of limitations for credit card debt is the amount of time—set by each state—that lenders and collection agencies have to file a lawsuit against consumers for nonpayment. Examiners determined that the entities sold thousands of credit card debts to debt collectors misrepresenting the state's statute of limitations for credit card debt as ten years rather than five years, including some accounts on which the statute of limitations had already expired. The entities' practices created the risk of

[32] 12 C.F.R. pt. 1006, Supp. I, Comment 14(h)(1)–2.

substantial injury to consumers because third parties may rely on the entities' statute of limitations data when determining their ability to file a collections lawsuit. The injury was not reasonably avoidable because consumers could neither anticipate nor control how the entities coded accounts in their systems and were not likely to recognize the entities' errors. Finally, the injury caused by the miscoding of accounts for sale was not outweighed by countervailing benefits to consumers or competition. To remedy the issue, the entities contacted their debt buyers to ensure that they used the correct statute of limitations period for debts already sold. Also, the entities updated their systems and procedures to state the correct statute of limitations period for current and future debts.

4. Legal activities

4.1 Debt collection *amicus* briefs

In 2024, the CFPB filed three *amicus curiae* (friend of the court) briefs in cases involving the FDCPA. One of those cases was decided in 2024.

False, Deceptive, or Misleading Representations by Debt Collector: The *Carrasquillo* amicus brief

On January 2, 2024, the CFPB filed an amicus brief in the First Circuit in *Carrasquillo v. CICA Collection Agency, Inc.,* arguing that the FDCPA's prohibition on debt collectors from using any "false, deceptive, or misleading representation or means in connection with the collection of any debt" does not apply only when such representations are intentional or knowing, but instead makes debt collectors strictly liable for their deceptive conduct absent an affirmative showing that the bona fide error defense applies.[33] The CFPB has since withdrawn this amicus brief.

Charging pay-to-pay (or "convenience") fees: The *Glover and Booze* amicus brief

On February 27, 2024, the CFPB and FTC filed an amicus brief in the Eleventh Circuit in *Glover and Booze v. Ocwen Loan Servicing, LLC.*[34] This case concerns the FDCPA's prohibition on the collection of "any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law."[35] The CFPB's and FTC's brief argued that this provision bars debt collectors from collecting pay-to-pay or "convenience" fees—fees imposed for making a payment online or by phone—unless the agreement creating the debt expressly authorizes such fees, or a law affirmatively authorizes them.

[33] CFPB, *Brief of Amicus Curiae Consumer Financial Protection Bureau in Support of Plaintiff-Appellant, Carrasquillo v. CICA Collection Agency, Inc., No. 23-1225* (Jan. 2024), https://files.consumerfinance.gov/f/documents/cfpb_carrasquillo-v-cica-amicus-brief_2024-01.pdf.

[34] CFPB, *Brief of Amici Curiae Consumer Financial Protection Bureau and Federal Trade Commission in Support of Plaintiffs-Appellees, Glover and Booze v. Ocwen Loan Servicing, LLC, Nos. 23-12578, 23-12579* (Feb. 2024), https://files.consumerfinance.gov/f/documents/cfpb_amicus-brief-glover-and-booze-v-ocwen_2024-02.pdf.

[35] 15 U.S.C. § 1692f(1).

The court issued its decision on February 4, 2025,[36] affirming the district court's decision in favor of the plaintiffs. Consistent with the CFPB's and FTC's brief, the court first held that Ocwen was a "debt collector" for purposes of the FDCPA and that it "collect[ed]" pay-to-pay fees within the meaning of the statute when it obtained payment of the fees in the course of collecting the underlying mortgage debt.[37] Second, the court held that Section 1692f(1) required only that the pay-to-pay fees be "amounts"; the fees did not separately need to be "incidental to the principal obligation."[38] Finally, the court held that because the fees were not expressly authorized in the mortgage agreements, they had to be affirmatively authorized by law for Ocwen to be able to collect them without running afoul the FDCPA, and neither state contract law nor the Truth in Lending Act nor the Electronic Fund Transfer Act affirmatively authorized Ocwen to collect pay-to-pay fees.[39]

Charging payoff statement fees: The *Salom* amicus brief

On August 5, 2024, the CFPB filed an amicus brief in the United States District Court for the Western District of Washington in support of a group of plaintiffs who sued Nationstar Mortgage LLC.[40] One of the plaintiffs alleged that Nationstar violated the FDCPA, 15 U.S.C. § 1692f(1), by collecting fees that were neither expressly authorized by the underlying mortgage agreements nor permitted by law. The CFPB's amicus brief argued that (1) a contractual provision requiring notice and an opportunity to cure cannot be applied to the FDCPA claim, and (2) Nationstar violated the FDCPA by collecting payoff statement fees that were neither expressly authorized by the agreement creating the debt nor permitted by law.

On October 7, 2024, the district court denied Nationstar's motion for judgment on the pleadings.[41] In its order, the court disagreed with the CFPB on the first issue, holding that the plaintiffs were required to provide notice of their claims to Nationstar and give Nationstar an opportunity to cure the alleged violations before bringing suit.[42] However, the court found that the plaintiffs had provided such notice and thus proceeded to the merits of the plaintiffs' FDCPA

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36 *Glover & Booze v. Ocwen*, 127 F.4th 1278 (11th Cir. 2025).

37 *Id.* at 1286-87.

38 *Id.* at 1287-91.

39 *Id.* at 1291-94.

40 CFPB, *Brief of Amicus Curiae Consumer Financial Protection Bureau in Support of Plaintiffs, Salom v. Nationstar Mortgage LLC, Case No. 2:24-cv-00444-BJR* (Aug. 2024), https://files.consumerfinance.gov/f/documents/cfpb_salom-v-nationstar_amicus-brief_2024-08.pdf.

41 *Salom v. Nationstar Mortg. LLC*, No. 24-cv-444-BJR, 2024 WL 4436972 (W.D. Wash. Oct. 7, 2024).

42 *Id.* at *5-6.

claim.[43] The court held, consistent with the CFPB's position, that the FDCPA prohibits Nationstar's collection of payoff statement fees because those fees were not expressly authorized in the mortgage agreements and no law affirmatively authorized them.[44] The court also rejected Nationstar's argument that the Truth in Lending Act and guidelines from the Department of Housing and Urban Development authorized its payoff statement fees.[45]

4.2 FDCPA regulatory actions

On October 1, 2024, the CFPB issued an advisory opinion discussing FDCPA and Regulation F implications for debt collectors when they collect on inaccurate, unsubstantiated, or legally invalid medical debts.[46] The advisory opinion has since been withdrawn.[47] The CFPB also published a consumer advisory with practical information about the steps consumers can take if they have received collection notices for medical bills.[48]

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[43] *Id.* at *6.

[44] *Id.* at *7.

[45] *Id.*

[46] CFPB, *Debt Collection Practices (Regulation F); Deceptive and Unfair Collection of Medical Debt*, (Oct. 2024), https://www.consumerfinance.gov/rules-policy/final-rules/fair-debt-collection-medical-debt-2024/.

[47] *Interpretive Rules, Policy Statements, and Advisory Opinions; Withdrawal*, 90 Fed. Reg. 20,084, 20,086 (May 12, 2025), https://www.federalregister.gov/documents/2025/05/12/2025-08286/interpretive-rules-policy-statements-and-advisory-opinions-withdrawal.

[48] CFPB, *Consumer advisory: Pause and review your rights when you hear from a medical debt collector* (Oct. 2024), https://www.consumerfinance.gov/about-us/newsroom/consumer-advisory-pause-and-review-your-rights-when-you-hear-from-a-medical-debt-collector/.

5. Enforcement

While the CFPB is authorized by the FDCPA to bring enforcement actions against any person subject to the Act, the statute also provides other agencies enforcement authority for certain subsets of market participants. The U.S. Department of Transportation, the U.S. Department of Agriculture, Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, and the FTC are eligible to exercise this enforcement authority.[49]

In 2024, the FTC was the only agency to announce public enforcement actions addressing harmful debt collection activity in violation of the FDCPA. None of the other federal agencies with FDCPA enforcement authority, including the CFPB, brought or resolved a public enforcement action in 2024.

5.1 FTC law enforcement actions

The FTC continues its work to combat unlawful debt collection activities.[50] In FTC v. Consumer Impact Recovery, the FTC sued a Georgia-based debt collector and its owner for violations of the FDCPA, its implementing Regulation F, the FTC Act, and the Gramm-Leach-Bliley Act.[51] According to the complaint, the debt collection operation threatened consumers with arrest, wage garnishment, and lawsuits over fictitious debts.[52] The complaint alleges that the debts Consumer Impact Recovery attempted to collect in fact did not exist or were not legally collectible. Defendants would sometimes call an individual consumer multiple times a day, or even harass consumers' family members with similar threats. The FTC estimates that thousands of consumers were tricked into paying more than $7.6 million in bogus debts. A federal court

[49] 15 U.S.C. § 1692*l*.

[50] The content of this section was provided by the Federal Trade Commission.

[51] FTC, *FTC Takes Action Against Phantom Debt Collector that Collected Millions in Bogus Debt From Consumers* (Nov. 2024), https://www.ftc.gov/news-events/news/press-releases/2024/11/ftc-takes-action-against-phantom-debt-collector-collected-millions-bogus-debt-consumers.

[52] Complaint, FTC v. Global Circulation, Inc., No. 1:24-cv-4927 (N.D. Ga. Oct. 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/DE1-Complaint_0.pdf.

temporarily halted the operation's illegal activity and froze its assets while the litigation continues.[53]

The FTC also returned money to consumers affected by the unlawful debt collection schemes conducted by National Landmark and Absolute Financial Services. Following the FTC's actions against these phantom debt collection operations,[54] the FTC mailed 1,625 checks totaling more than $540,000 dollars to affected consumers.[55]

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[53] *Ex Parte* Temporary Restraining Order, FTC v. Global Circulation, Inc., No. 1:24-cv-4927 (N.D. Ga Oct. 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/TemporaryRestrainingOrder%28withoutattachments%29.pdf.

[54] Complaint, FTC v. National Landmark Logistics LLC, No. 0:20-cv-02592 (D.S.C. Jul. 2020), https://www.ftc.gov/system/files/documents/cases/202_3071_national_landmark_logistics_-_complaint.pdf; Complaint, FTC v. Absolute Financial Services, LLC, No. 0:20-cv-02596 (D.S.C. Jul. 2020), https://www.ftc.gov/system/files/documents/cases/202_3072_absolute_financial_services_-_complaint.pdf.

[55] FTC, F*TC Sends More Than $540,000 in Refunds to Consumers Harmed by Phantom and Abusive Debt Collection Scheme* (Dec. 2024), https://www.ftc.gov/news-events/news/press-releases/2024/12/ftc-sends-more-540000-refunds-consumers-harmed-phantom-abusive-debt-collection-scheme.

6. Consumer education and public outreach

6.1 CFPB consumer education

The CFPB is required by statute to maintain an Office of Financial Education that provides information to assist consumers with the evaluation of credit products and the understanding of credit histories and scores, and to provide activities intended to reduce debt and improve the financial situation of the consumer.[56]

This educational information is available via the CFPB's website and includes financial questions and answers featured in the "Ask CFPB" interactive online tool and publications available for order.

The "Ask CFPB" tool helps consumers find clear answers to a wide variety of financial questions. "Ask CFPB" was visited by 12.4 million unique visitors in FY24 with 18.5 million pageviews. Debt collection is consistently one of the most-viewed categories.

"Ask CFPB" includes practical information for consumers regarding steps they can take when faced with debt collection.[57] "Ask CFPB" includes basic questions and key terms for consumers to build their basic financial literacy. In addition, the CFPB provides five sample letters that consumers can use when they interact with debt collectors. The five letters are intended for consumers who: (1) need more information about a debt; (2) want to dispute their debt; (3) want to restrict how and when a collector can contact them; (4) want to stop all communication from the debt collector; and (5) want to direct further communications with respect to the debt matter to an attorney.[58] The two most downloaded letters are "I need more information about this debt" and "I do not owe this debt."

The CFPB website also provides details on how to submit complaints or inquiries if consumers are having an issue with a financial product or service. The CFPB seeks to help consumers understand and assert their rights by providing financial empowerment resources through

[56] 12 U.S.C. § 5493(d)(2).

[57] CFPB, *Ask CFPB: Debt Collection*, http://www.consumerfinance.gov/consumer-tools/debt-collection/.

[58] CFPB, *What Should I Do When a Debt Collector Contacts Me* (2023), https://www.consumerfinance.gov/ask-cfpb/what-should-i-do-when-a-debt-collector-contacts-me-en-1695/.

established community partners that consumers may trust, such as workplaces, social service organizations, military services, and government agencies.

6.2 CFPB public outreach

In 2024, the CFPB's Office of Public Engagement (OPE) received information from external stakeholders about various debt collection issues, including concerns related to pay-to-pay or convenience fees, language access, and garnishment. Advocacy organizations and legal aid attorneys shared feedback about challenges faced by their clients and other consumers during OPE-hosted meetings and at roundtables and field events around the country.

During the past year, OPE's outreach and engagement activities related to debt collection were focused particularly on medical debt collection. OPE facilitated engagements related to medical debt collections with stakeholders, including nonprofit organizations, legal aid attorneys, and health advocacy entities. For example, in March 2024, OPE hosted a virtual meeting with approximately 50 legal aid attorneys, which included discussion about how to assist clients with several issues related to unlawful debt collection practices. OPE collected information and policy recommendations and shared insights with relevant subject matter experts at the CFPB.

OPE's other activities in 2024 included outreach related to the October 2024 advisory opinion on collecting medical debts.[59] On October 7, OPE hosted a briefing call about the advisory opinion with 63 external participants. On November 20, OPE and other CFPB staff presented at a virtual meeting with a network of state-level nonprofit organizations to discuss the advisory opinion.

OPE also hosted several forums in 2024 associated with the FCRA rulemaking about medical debt, where stakeholders shared concerns about medical billing and debt collection practices. On June 10, the CFPB held a roundtable meeting at CFPB headquarters with 25 health and consumer advocacy organizations. On August 8, the CFPB conducted a virtual forum with more than 250 members of the public addressing a range of topics related to medical debt collections.

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[59] The CFPB issued the advisory opinion in October 2024: *Debt Collection Practices (Regulation F); Deceptive and Unfair Collection of Medical Debt*, (Oct. 2024), https://www.consumerfinance.gov/rules-policy/final-rules/fair-debt-collection-medical-debt-2024/. The CFPB withdrew this advisory opinion in May 2025: *Interpretive Rules, Policy Statements, and Advisory Opinions: Withdrawal*, 90 Fed. Reg. 20,084, 20,086 (May 12, 2025), https://www.federalregister.gov/documents/2025/05/12/2025-08286/interpretive-rules-policy-statements-and-advisory-opinions-withdrawal.

6.3 FTC public outreach

Consumer and business education and public outreach are also important parts of the FTC's debt collection program.[60] The FTC uses multiple formats and channels to educate consumers about their rights under the FDCPA, as well as what the statute requires of debt collectors, and to inform debt collectors about what they must do to comply with the law. The FTC also engages in education and public outreach to enhance legal services providers' understanding of debt collection issues.

The FTC reaches tens of millions of consumers through print and online materials, blog posts, speeches, and presentations.[61] To maximize its outreach efforts, FTC staff work with an informal network of more than 6,000 community-based organizations and national groups that order and distribute FTC information to their members, clients, and constituents. In 2024, the FTC distributed over 7.3 million print publications to libraries, police departments, schools, non-profit organizations, banks, credit unions, other businesses, and federal, state, and local government agencies. The FTC also logged more than 42.3 million views of its business and consumer education website pages. The FTC's debt collection content, including Debt Collection FAQs, Fake and Abusive Debt Collectors, and What To Do if a Debt Collector Sues You, have gotten nearly one million views in 2024.[62]

The FTC's YouTube channel[63] houses more than 450 business and consumer videos. Many of the videos are also available on the FTC's consumer[64] and business[65] websites. These videos were viewed more than 3.7 million times in 2024 across all websites. Four business and consumer videos address debt collection and were viewed a combined 28,246 times in 2024.[66]

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[60] The content of this section was provided by the Federal Trade Commission.

[61] The FTC generally makes most outreach materials in all channels available to consumers in English and Spanish.

[62] FTC, *Debt Collection FAQs* (2023), https://consumer.ftc.gov/articles/debt-collection-faqs; FTC, *Debt and Deceased Relatives* (2023), https://consumer.ftc.gov/articles/debts-and-deceased-relatives; FTC, *Fake and Abusive Debt Collectors* (2023), https://consumer.ftc.gov/articles/fake-abusive-debt- collectors; FTC, *How To Get Out of Debt* (2022), https://consumer.ftc.gov/articles/how-get-out-debt; FTC, *What To Do if a Debt Collector Sues You* (2023), https://consumer.ftc.gov/articles/what-do-if- debt-collector-sues-you.

[63] The FTC YouTube channel is https://www.youtube.com/FTCvideos.

[64] The consumer websites are https://consumer.ftc.gov/, https://consumidor.ftc.gov/, https://consumer.gov/, https://consumidor.gov/, and militaryconsumer.gov.

[65] The business website is https://www.ftc.gov/business-guidance.

[66] The video *Dealing with Debt Collectors* summarizes what debt collectors may and may not do, and how viewers can exercise their rights and report violations to the FTC; *Debt Collection* gives information for businesses that must comply with the FDCPA; *Debt Collection: Know Your Rights* summarizes consumer rights and encourages viewers to report problem calls to the FTC; and *Fraud Affects Every Community: Debt Collection* describes a veteran's experience with abusive debt collection and the legal assistance that helped him resolve the case.

Additionally, the Consumer Alerts reached 373,000 and 72,000 email subscribers, respectively, and regularly serve as source material for local and national news stories.[67]

As part of its work to raise awareness about scams affecting the Latino community, the FTC has a series of fotonovelas (graphic novels). These graphic novels tell stories based on reports Spanish speakers make to the FTC and offer practical advice to help detect and stop common scams. The FTC distributed more than 8,500 copies of the Cobradores de deuda (Debt Collectors)[68] fotonovela in 2024.

The FTC also educates members of the debt collection industry, including by developing and distributing business education materials and providing Business Alerts. The FTC's business education resources can be found in its online Business Guidance.[69] The Business Guidance logged more than 6.8 million page views in 2024, and there are more than 141,000 email subscribers to Business Alerts.

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[67] FTC, *Consumer Alerts*, https://consumer.ftc.gov/consumer-alerts and FTC, *Alertas para consumidores*, https://consumidor.ftc.gov/alertas-para-consumidores.

[68] FTC, *Juan Aprende Sus Derechos Para Lidiar Con Los Cobradores De Deuda* (2023), https://www.bulkorder.ftc.gov/sites/bulkorder.ftc.gov/files/publications/912a_debt_collectors_fotonovela_sp_aug2023_508.pdf.

[69] FTC, *Business Guidance*, https://www.ftc.gov/business-guidance.

7. Rulemaking, research, and policy initiatives

7.1 Research projects

The CFPB's Office of Research initiates research projects related to the debt collection market and its impact on consumers and credit markets. One purpose of this research is to help the CFPB identify potential harms to consumers. Another is to better understand the benefits, costs, and impacts of potential rules. The CFPB's debt collection research relies on various data sources, including publicly and commercially available data as well as information obtained through industry outreach and other efforts.

In 2024, CFPB researchers published research focused on the removal of medical collections under $500 from consumer credit reports. This report showed that, between March 2022 and June 2023, a majority of individual collections items related to medical bills were removed from consumers' credit.[70] In a follow-up report, CFPB researchers found that consumers who had all their medical collections removed due to these changes saw significant improvements in credit scores, while short-term demand for credit was not affected.[71]

7.2 Research and outreach to special populations

The CFPB's Office of Consumer Populations engages with consumers and stakeholders to understand the impact of debt collection practices on consumers' financial lives. This outreach focuses on targeted populations of consumers, including older Americans, servicemembers, veterans, and students and young consumers.

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[70] CFPB, *Recent Changes in Medical Collections on Consumer Credit Records* (Apr. 2024), https://www.consumerfinance.gov/data-research/research-reports/recent-changes-in-medical-collections-on-consumer-credit-records/.

[71] CFPB, *Early impacts of removing low-balance medical collections* (May 2024), https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-early-impacts-of-removing-low-balance-medical-collections/.

7.2.1 Older Americans

In 2024, the CFPB's Office of Financial Protection for Older Americans (OA) engaged with stakeholders to examine how medical debt impacts older consumers, focusing specifically on the impact of medical debt on low-income Medicare and surviving spouses.

Low-income Medicare

In 2024, the OA examined the factors contributing to improper billing and collection for cost-sharing of Medicare beneficiaries enrolled in the Qualified Medicare Beneficiary (QMB) program. The QMB program is a Medicare savings initiative that helps consumers pay their Medicare Part A premiums, Part B premiums, deductibles, coinsurance, and copayments.[72] Consumers who qualify as QMBs are typically older people or people with disabilities who have income at or below the federal poverty level and have limited assets.[73]

Federal law prohibits healthcare providers who accept Medicare from billing QMBs for cost-sharing (e.g. co-pays or deductibles) for most care that is covered by Medicare.[74] The Centers for Medicare & Medicaid Services (CMS) and state health insurance counselors have voiced concern for several years that Medicare providers improperly seek payment from QMBs and send unpaid bills to debt collection. In collaboration with the CMS, the CFPB conducted data analysis and held discussions with key stakeholders that uncovered specific issues where additional and renewed guidance and resources were needed. In October 2024, the CFPB and the CMS issued a joint statement emphasizing that Traditional Medicare providers and suppliers, Medicare Advantage providers and suppliers, and debt collectors can be sanctioned by the CMS or be liable under the FDCPA for improperly billing these recipients.[75] In addition, the CMS released new resources clarifying that healthcare providers must refund any improper charges,

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[72] *See* Benefits.gov, *Qualified Medicare Beneficiary (QMB) Program*, https://www.benefits.gov/benefit/6177.

[73] More precisely, Qualified Medicare Beneficiaries have income at or below the federal poverty level and have limited assets; Medicare beneficiaries must apply for QMB status. See Medicare Savings Programs. Although all QMBs are "dual eligibles," i.e., enrolled in both Medicare and Medicaid, not all dual eligibles are QMBs. That is, all QMBs are enrolled in both Medicare and Medicaid, but additional people in certain states are enrolled in both Medicare and Medicaid but are not eligible for QMB status. Additionally, although QMBs are enrolled in both Medicare and Medicaid, they may not be eligible for all Medicaid services. See *Beneficiaries Dually Eligible for Medicare & Medicaid* (Feb. 2022), https://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnproducts/downloads/medicare_beneficiaries_dual_eligibles_at_a_glance.pdf.

[74] *See* 42 U.S.C. § 1396a(n)(3). Specifically, federal law prohibits healthcare providers who accept Medicare from billing QMBs for cost-sharing for services covered by Medicare Part A and B, but not prescription drug services covered only by Medicare Part D. *See* "Qualified Medicare Beneficiary Program – FAQ on Billing Requirements" (July 2018), https://www.cms.gov/outreach-and-education/outreach/npc/downloads/2018-06-06-qmb-call-faqs.pdf.

[75] CFPB and CMS, *Protecting Qualified Medicare Beneficiaries from improper bills* (Oct. 2024), https://files.consumerfinance.gov/f/documents/qmb_joint-statement_2024-10.pdf.

regardless of whether they received incorrect information about a recipient's QMB status from Medicare Advantage plans.[76]

Surviving spouses' medical debt

In September 2024, the OA released a blog describing some the financial challenges faced by surviving spouses and the impact of medical debt collections on their well-being.[77] The blog shows that surviving spouses are especially likely to report having unpaid medical bills, and those bills are greater than those of the rest of the population.

The blog also described CFPB's concerns that debt collectors may mislead surviving spouses into paying their deceased spouses' debts when they are not legally required to do so. States have enacted laws, and some state courts have held that surviving spouses are not personally responsible for their deceased partners' medical debts. Other states limit the circumstances in which a surviving spouse is responsible.

7.2.2 Servicemembers and Veterans

In 2024, CFPB released the Office of Servicemember Affairs (OSA) Annual Report that highlights trends in servicemember complaints.[78] The report notes that the CFPB received approximately 11,700 debt collection complaints from servicemembers in 2023—more than in any prior year. Approximately 6,800 (or 58 percent) of these complaints were sent to companies for review and response, and eight percent were found to be not actionable. Approximately 30 percent of debt collection complaints from servicemembers and veterans were referred to the FTC and four percent were referred to other agencies.

Debt collection companies responded to 97 percent of servicemember complaints sent to them for review and response. These companies closed 82 percent (5,586 complaints) with an explanation, 13 percent (856 complaints) with non-monetary relief, and 0.6 percent (39 complaints) with monetary relief. They also provided an administrative response for two percent

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[76] CMS, *Prohibition on Billing Qualified Medicare Beneficiaries* (Oct. 2024), https://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/se1128.pdf; CMS, "*HPMS Memos for WK 5 October 28-31*" (Oct. 2024), https://www.cms.gov/about-cms/information-systems/hpms/hpms-memos-archive-weekly/hpms-memos-wk-5-october-28-31. The Health Plan Management System (HPMS) is CMS' official online information system for Medicare Advantage and Part D insurance programs.

[77] CFPB, *Debt collectors that take advantage of surviving spouses and their vulnerabilities* (Sept. 2024), https://www.consumerfinance.gov/about-us/blog/debt-collectors-that-take-advantage-of-surviving-spouses-and-their-vulnerabilities/.

[78] CFPB, *Office of Servicemember Affairs 2023 Annual Report* (Sept. 2024), https://www.consumerfinance.gov/data-research/research-reports/office-of-servicemember-affairs-annual-report-fy-2023/.

of complaints. Companies did not provide a timely response for three percent of complaints. Out of the debt collection complaints with closure responses in 2023, 86 percent of servicemembers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB. Over half (52 percent) of debt collection complaints submitted by servicemembers were related to attempts to collect a debt that was not owed.

Servicemembers also raised concerns about receiving written notifications about debt (16 percent), debt collection companies that threatened to take negative or legal action (11 percent), debt collection companies making false statements or representation (nine percent), and communication tactics (eight percent).

7.2.3 Students

In 2024, the Office of Students and Young Consumers (OSYC) examined the financial implications for students pursuing higher education and repaying student loans. CFPB closely followed the impacts of the end of the federal student loan repayment pause, borrowers' return to repayment, and the effects of the Department of Education's (ED) Fresh Start program – among other student loan-related topics.

The significant programmatic changes implemented by the ED in 2024, which impacted federal student loan borrowers, guided the OSYC's emphasis on debt collection during that year. These changes included the ED's shift away from contracts with private collection agencies. Despite this shift, the OSYC noted that vendors remained deeply involved in a range of the ED's federal student loan collection activities. This involvement included notifying consumers of their loans' new default status, managing inbound and outbound call centers and mail processing centers, initiating administrative wage garnishment or Treasury Offset processes, and investigating disputes submitted by consumers under the FCRA.[79] These activities require significant compliance operations from the ED's vendors and their staff, which the OSYC found increased compliance risk as borrowers returned to repayment.[80]

The OSYC found that the resumption of federal student loan debt collection was likely to create significant FDCPA compliance risk and negatively affect consumers with loans in default. To

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[79] U.S. Department of Education, Office of Inspector General, ED-OIG/I22DC0067, *The Department's Decision to Terminate Private Collection Agency Contracts*, (2022); *U.S. Department of Education, Office of Federal Student Aid, Awards Maximus a Contract to Help Administer the Defaulted Student Loan Debt Program* (Oct. 1, 2013), https://investor.maximus.com/news-events/press-releases/detail/254/u-s-department-of-education-office-of-federal-student.

[80] CFPB, *Annual Report of the CFPB Student Loan Ombudsman* (Nov. 2024), https://www.consumerfinance.gov/data-research/research-reports/annual-report-of-the-cfpb-student-loan-ombudsman-2024/; and CFPB, *Supervisory Highlights: Special Edition Student Lending* (Dec. 2024), https://www.consumerfinance.gov/data-research/research-reports/supervisory-highlights-issue-36-winter-2024/.

help understand and address this risk, the OSYC coordinated with the ED to promote consistent regulatory treatment of federal student loans, including federal student loans in default.[81] Throughout 2024, the OSYC analyzed data provided by the ED, conducted detailed complaint analysis, and heard from other internal and external stakeholders about consumer risks associated with federal student loans in default.

In addition to federal student loan debt collection coordination and analysis, the OSYC supported the Office of Servicemember Affairs annual report, which detailed specific consumer risks related to debt collection by colleges and universities.[82] Specifically, the report examined the unique challenges servicemembers and their families face when institutions of higher education withhold their transcripts as a debt collection tactic. These include the ways in which transcript withholding can prevent servicemembers or their families from completing their degree, limit career options, or restrict certain military promotions.

7.2.4 American Indian and Native Alaskan Populations

In 2024, CFPB staff partnered with stakeholders involved in American Indian and Native Alaskan (AIAN) communities to discern the impacts of medical debt collection in those communities. The CFPB learned from tribal leaders and from analysis of credit panel data that rural Native communities are more likely to have medical debt collections on their credit reports than the nationwide average, the collection amounts are higher than the national average, and for a significant amount of AIAN consumers – almost 25 percent – their only reported delinquencies are due to medical debt collections.

In December 2024, the CFPB released a report documenting the data analysis and feedback provided by Native communities.[83] In addition to finding that Native communities disproportionately have medical collections on their credit records, the report found that billing and reimbursement issues outside the control of the medical recipient have a pervasive negative impact on credit reporting and debt collection for Native communities. For example, many AIAN consumers reported that delays in medical reimbursements from insurance providers or from government-provided medical assistance led to a collection effort against the consumer,

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[81] Coordination is required under 12 U.S.C. § 5495 with the Securities and Exchange Commission, the Commodity Future Trading Commission, the Federal Trade Commission, and other Federal agencies and State regulators, as appropriate, to promote consistent regulatory treatment of consumer financial and investment products and services.

[82] CFPB, *Office of Servicemember Affairs 2023 Annual Report* (Sept. 2024), https://www.consumerfinance.gov/data-research/research-reports/office-of-servicemember-affairs-annual-report-fy-2023/.

[83] CFPB, *Medical Collections on Credit Reports in Native American Communities* (Dec. 2024), https://www.consumerfinance.gov/data-research/research-reports/medical-collections-on-credit-reports-in-native-american-communities/.

negatively impacting their credit scores and subjecting them to collections for amounts they don't owe.

The CFPB also worked with other federal agencies to address billing issues with government-sponsored insurance and provided guidance to healthcare providers and debt collectors alike about their responsibilities to accurately collect on and report delinquencies. In December, the CFPB and the Indian Health Service (IHS) issued a joint letter to remind providers who receive reimbursements through IHS programs that sending consumers to collections or reporting consumers delinquent on bills that require a reimbursement from IHS could violate the Indian Health Care Improvement Act, the FDCPA, and the FCRA.[84] Further, providers receiving these reimbursements are prohibited from collecting duplicative payments from the consumer.

7.3 Market monitoring and outreach

In 2024, the CFPB engaged with the debt collection industry through a range of market monitoring and outreach efforts. Staff from the Office of Markets spoke at regional and national debt collection industry events and held conference calls with consumer advocates, industry trade groups, vendors, and government officials. These discussions helped CFPB staff better understand consumers' experiences with debt collection and gain insight into how the market operates. Additionally, Markets staff responded to media and other stakeholder inquiries on various topics related to the debt collection market, including medical debt and credit reporting.

As part of this market engagement, the CFPB held discussions with stakeholders about Regulation F, the rule implementing the FDCPA. In these discussions, market participants and consumer advocates provided detailed information on the impacts of the final rule. The insights gathered helped the CFPB identify areas where additional clarity was needed. The Office of Markets and Office of Regulations used this feedback to support implementation of Regulation F.

[84] https://www.consumerfinance.gov/about-us/newsroom/cfpb-and-ihs-joint-letter-re-protecting-approved-purchase-dreferred-care-program-patients-from-improper-bills/