

May 4, 2023

RMAI Commitment to Consumers:

The members of the Receivables Management Association International (RMAI) interact with consumers across the globe. We live in your communities; we support your local businesses; we employ your neighbors. We also manage the debts consumers owe for things they wanted to buy, things they had to buy and services they needed.

To that end, RMAI members want to help. If you are behind on your bills, wondering how to make ends meet, or being contacted by a debt collector, read on for answers to many of the most frequently asked questions (FAQs) by consumers.

FAQs

QUESTION: If I don't make any payments on the debts I owe, will I still owe the same amount?

ANSWER: Maybe. If you are not making payments on your debts, your creditors may add interest and penalties to the balance. To find out exactly how much you owe and if interest and penalties or other charges are being added to the amount you owe, contact your creditors and debt collectors, and ask them for this information.

QUESTION: I can barely make ends meet because of an unfortunate situation. What should I tell my creditors and debt collectors?

ANSWER: Let your creditors and debt collectors know your situation. Depending on your circumstances, they may be ready to offer their hardship policy program to consumers who need extra help.

In some cases, a customized repayment plan can be arranged, which could include:

- A reduction in the balance you owe
- Waiver of the interest or fees on the account
- Suspension of all interest and penalties during the hardship period
- A very helpful settlement offer

QUESTION: What if I simply cannot pay my all my bills?

ANSWER: If you can't make payments, contact your lenders and your debt collectors, and explain your situation. They may be willing to provide forbearance, loan extensions, a reduction in interest rates, and/or other flexibility for repayment. Be sure to get confirmation of any agreements in writing.

QUESTION: I've been contacted by a debt collector. Now what?

ANSWER: Proactive communications can benefit you. Here are some tips.

Do not ignore the call or letter. We understand that hearing from a collector is uncomfortable. But ignoring the call or letter can create even bigger problems. If you ignore repeated calls and letters, the collector may have the right to file a lawsuit seeking a judgment against you. This can cost you more time and money in the long run.

Get all the facts first. When a collector first calls or writes, get as much information as possible about the debt you might owe. Ask for the name of the caller, the collection company, the creditor, and the address and fax number for sending correspondence. Also, verify the amount owed on the account.

If it is your debt, work out a plan. If you recognize that this is your debt obligation, you might have the opportunity to arrange a payment plan with the collection company that is less than the face value of the debt owed. If you negotiate a repayment plan over the phone, ask the collector to send you the terms in writing.

If it is not your debt, take proper steps to fix the problem. In some cases, you might be a victim of identity theft. If you are a victim, you should immediately write a letter to the collection company and explain that you are a victim of identity theft. You should report the identify theft to the Federal Trade Commission (FTC) at <https://www.identitytheft.gov/#/>.

Keep detailed documentation through this entire process. Maintaining a detailed paper trail will help you resolve any situation, whether it is your debt or if you are an ID theft victim.

Understand your rights under the Fair Debt Collections Practices Act. Collectors do have the right to call and ask for payment on past due debts, but consumers also have rights under the Fair Debt Collections Practices Act (FDCPA), which sets the national standard for collection activity. The FDCPA prohibits abusive collection tactics against a consumer and prohibits tactics that might invade a consumer's privacy. For more information about your rights under FDCPA, RMAI recommends you read the FTC's Debt Collection FAQs: A Guide for Consumers <https://consumer.ftc.gov/articles/debt-collection-faqs>, or visit the Consumer Financial Protection Bureau's "Ask CFPB" <https://www.consumerfinance.gov/ask-cfpb/> and search for "debt collection."

QUESTION: Is there anything I can do to stop my creditors and debt collectors from calling me? I have no idea when I will be back on my feet.

ANSWER: Yes. The Fair Debt Collection Practices Act (FDCPA) is a federal law that provides you with rights, and debt collectors with duties, in connection with the collection of a debt. If you know you owe the debt, but simply cannot pay it back; it would be wise to accept the call from the debt collector. Explain your situation and direct

the debt collector to not call back for a period such as 30 or 60 days. You could also agree to a payment arrangement where you would pay a small amount each month until the debt is paid in full. You could also ask if settlement of the debt is a possibility.

If you do not believe you owe the debt, you have the right to dispute it, and request more information about the debt and request the name of the original creditor. Submit your dispute and your request for information in writing. This gives you the greatest protection under the FDCPA.

You can either send the dispute and request for more information to the debt collector using traditional mail or by sending an email to the collection agency. Most collection agencies have their email address on their website for this purpose.

If you currently have a debt in collections, you can work with collectors to identify a realistic repayment plan. The Consumer Financial Protection Plan has a number of [resources for contacting and negotiating with debt collection companies](#).

QUESTION: Can the debt collector ask me if I am receiving a tax refund this year?

ANSWER: Yes, the debt collector can ask you if you have received a tax refund check or if you expect to receive a tax refund check after you file your income taxes this year.

You may use any tax refund you receive to pay off your debts, but you are not required to do so.

QUESTION: I am having difficulty making on-time mortgage payments. Do I have any options?

ANSWER: Forbearance may be an option for you. Forbearance can help consumers get back on their feet during short-term financial difficulty, but there are a few things you need to know and some important decisions you'll need to make.

Forbearance is when your mortgage servicer, that's the company that sends your mortgage statement and manages your loan, or lender allows you to pause or reduce your payments for a limited period.

Forbearance does not erase what you owe. You'll have to repay any missed or reduced payments in the future. So, if you're able to keep up with your payments, keep making them.

For more information about mortgage relief from the Consumer Financial Protection Bureau:

- Read this helpful document https://files.consumerfinance.gov/f/documents/mortgage-forbearance-cares-act_video-transcript.pdf
- Watch this video <https://www.consumerfinance.gov/coronavirus/cares-act-mortgage-forbearance-what-you-need-know/>

QUESTION: I cannot keep up with my student loan payments. Is there any help available to me?

ANSWER: For your federally held loans, payments are currently paused. Visit [Federal Student Aid](#) for more information. A new federal law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides automatic suspension of principal and interest payments on federally held student loans through August 30, 2023. These suspended payments will count towards any student loan forgiveness program if all other requirements of the loan forgiveness program are met.

QUESTION: How can I verify whether a debt collector is legitimate?

ANSWER: Ask the caller for their name, company, street address, telephone number. If your state licenses debt collectors, also ask for a professional license number. You can refuse to discuss any debt until you get a written "validation notice." Do not give personal or financial information to the caller until you have confirmed it is a legitimate debt collector. Click here to learn more. <https://www.consumerfinance.gov/consumer-tools/fraud/>.

Additional resources from the Consumer Financial Protection Bureau to help consumers manage their finances are available at <https://www.consumerfinance.gov/consumer-tools/debt-collection/>.

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About RMAI

Receivables Management Association International (RMAI) is a nonprofit trade association representing more than 600 companies that purchase or support the purchase of performing and nonperforming receivables on the secondary market. The RMAI [Receivables Management Certification Program](#) is celebrating its 10th anniversary in 2023. Together with RMAI's [Code of Ethics](#), the Certification Program sets the global standard within the receivables industry due to the rigorous uniform standards of best practice which focus on protecting consumers. More information about RMAI is available at www.rmaintl.org.