

# CONSUMER ADVISORY

March 2007

By Attorney General Tom Miller

## Fair Debt Collection: Know Your Rights

Most Americans find themselves owing some kind of debt at some time in their life. We have an obligation to pay our debts – but we also have a right to be treated fairly by debt collectors. Iowa law prohibits coercive, abusive, harassing, fraudulent or deceptive collection practices in consumer debts.

**Here are some important rights you have when dealing with debt collectors:**

- **Although debt collectors may threaten to garnish your wages, they may not garnish without first suing you in court and winning.** Some forms of income that cannot be affected include Social Security benefits, disability benefits, Family Investment Programs, and unemployment compensation. There also are legal limits on how much of your wages or retirement benefits may be garnished.
- **Debt collectors may contact your employer, relatives, or friends about your debt ONLY in very limited circumstances.** Collectors may confirm your employment or address, but they may not share information about any debts you may owe with anyone other than you or your attorney.
- **To stop unwelcome phone calls at work, write a letter to debt collectors that clearly tells them not to call and why not.** The letter should let debt collectors know things such as “your calls could make me lose my job” or “these repeated calls are harassing me.” Also, let the collectors know how they can reach you, for example, “by mail, only at my home address.” Send your letter by certified mail, and be sure to keep a copy of the letter for your records.
- **Collectors may call from 8 a.m. to 9 p.m., 7 days a week, including Sundays.** To stop Sunday calls, notify the collector in writing what days and times not to call.
- **The debt collector must send a written notice about the debt within five days of the first telephone contact.** You have 30 days to file a written dispute, then they must provide written verification. Be sure to dispute the debt in writing if it is not your debt, if you have paid it already, or if you feel the figures are inaccurate.

All valid debts should be paid in a timely manner. Respond to all debt collector inquiries, even if you do not believe the debt is yours. Deal with debt collectors in writing as much as possible. Having a written copy of any agreement for payment makes it much easier for you and the debt collector to prove the communication took place. For more detailed information regarding how to deal with debt collectors, visit the AG's web site: [www.iowaAttorneyGeneral.org](http://www.iowaAttorneyGeneral.org) (click on “protecting consumers.”) Write to the Consumer Protection Div., Des Moines, Iowa 50319. Call 888-777-4590 toll-free, or 515-281-5926.