ABA Family Legal Guide

Consumer Credit

Debt, Debt Collection, and Credit Repair

Debt Collection and the Law

What may I do if the debt collector breaks the law?

If a credit grantor (for example, a retailer or a bank) is making the collection effort, check with the consumer protection office of your state attorney general's office and write that office a letter detailing your complaint (with a copy to the offending credit grantor). If the collection effort is from an independent debt collector, write to the nearest office of the Federal Trade Commission or the office in Washington, D.C. (The addresses can be found at the FTC website: www.ftc.gov.) The FTC has been active in pursuing violators and may fine them heavily or even put them out of business.

In addition, if debt collectors violate the Fair Debt Collection Practices Act, you may sue them in a state or federal court. However, you may do so only within one year from the date they violated the law. You may recover money for the actual damage you suffered. In addition, the court may award up to $1,000 for each violation. You may also recover court costs and your lawyer's fees.

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