

The Consumer Financial Protection Bureau (CFPB) announced a new rule that will allow the agency to oversee consumer debt collectors for the first time at the federal level. Read the **CFPB's press release** and information about the agency's oversight of debt collectors can be accessed via CFPB's website (www.consumerfinance.gov).

Beginning January 2, 2013, CFPB will begin oversight of the consumer debt collection market. The new rule allowing supervision of larger consumer debt collectors, for the first time on the federal level, is codified at 12 C.F.R. Part 1090. The CFPB announced that its focus will be on the following: (1) ensuring that debt collectors are upfront and clear with consumers in properly identifying themselves and properly disclosing the amount of debt owed, as required by federal law; (2) ensuring that debt collectors are using accurate data so as to prevent collectors from attempting to collect debt that consumers do not owe or have already paid; (3) ensuring that debt collectors have procedures in place by which consumers can dispute debts and obtain timely and accurate information about debts claimed to be owed; and (4) requiring civil and honest communications with consumers and prohibiting obscene or harassing statements or improper threats of imprisonment.

With the new rule, companies holding nearly two-thirds of the debt collection industry's annual receipts will be subject to CFPB supervision. It is hoped that federal oversight of debt collectors will improve transparency in the market and reign in abusive tactics by debt collectors.