

Regulation F: A campus perspective



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Regulation F



- The Consumer Financial Protection Bureau issued the Debt Collection Final Rule in two parts, which becomes effective as of November 30, 2021.

Regulation F



- The Bureau of Consumer Financial Protection (Bureau) proposes to amend Regulation F, 12 CFR part 1006, which implements the Fair Debt Collection Practices Act (FDCPA) and currently contains the procedures for State application for exemption from the provisions of the FDCPA. The Bureau's proposal would amend Regulation F to prescribe Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. The Bureau's proposal would, among other things, address communications in connection with debt collection; interpret and apply prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection; and clarify requirements for certain consumer-facing debt collection disclosures.

Regulation F – Submitting comments



- <https://www.regulations.gov/document/CFPB-2019-0022-0001>
- You may submit comments, identified by Docket No. CFPB-2019-0022 or RIN 3170-AA41, by any of the following methods:
 - Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
 - Email: 2019-NPRM-DebtCollection@cfpb.gov. Include Docket No. CFPB-2019-0022 or RIN 3170-AA41 in the subject line of the email.
 - Mail: Comment Intake—Debt Collection, Bureau of Consumer Financial Protection, 1700 G Street NW, Washington, DC 20552.
 - Hand Delivery/Courier: Comment Intake—Debt Collection, Bureau of Consumer Financial Protection, 1700 G Street NW, Washington, DC 20552.
- For Further Information Contact:
 - Adam Mayle, Counsel; or Dania Ayoubi, Owen Bonheimer, Seth Caffrey, David Hixson, David Jacobs, Courtney Jean, or Kristin McPartland, Senior Counsels, Office of Regulations, at 202-435-7700. If you require this document in an alternative electronic format, please contact CFPB_accessibility@cfpb.gov.

New requirements for reporting debt to agencies



- Cell Phone number
- Consent to contact debtor via cell phone
- Personal email address- not assigned by the creditor
- Amount owed on the date of placement
- Itemization date
- Amount owed on the itemization date
- Total amount of interest accrued since Itemization Date
- Total amount of fees accrued since Itemization Date
- Total amount of payments made and credits since Itemization Date
- The same cell phone and email items are required for CoMakers

Regulation F – Billing Servicer Changes



- Placement Reports Update
- Itemization Date – Date of last statement/notice
- Debt amount as of itemization date
- Itemization of interest, fees, payments, and credits

Who is responsible for reporting data?



- For loans and A/R that you outsource, the servicer will provide the information based on the data from the school.
- For A/R and loans serviced by the institution, the school will be responsible. Consider involving your IT department to create a method to pull the required data for reporting.

Sample Letter sent for past due:



North South Group
P.O. Box 123456
Pasadena, CA 91111-2222
(800) 123-4567 from 8am to 8pm EST, Monday to Saturday
www.example.com

To: Person A
2323 Park Street
Apartment 342
Bethesda, MD 20815
Reference: 584-345

North South Group is a debt collector. We are trying to collect a debt that you owe to Bank of Rockville. We will use any information you give us to help collect the debt.

Our information shows:

You had a Main Street Department Store credit card from Bank of Rockville with account number 123-456-789.

As of January 2, 2017, you owed:	\$ 2,234.56
Between January 2, 2017 and today:	
You were charged this amount in interest:	+ \$ 75.00
You were charged this amount in fees:	+ \$ 25.00
You paid or were credited this amount toward the debt:	- \$ 50.00
Total amount of the debt now:	\$ 2,284.56

How can you dispute the debt?

- Call or write to us by **August 28, 2020**, to dispute all or part of the debt. If you do not, we will assume that our information is correct.
- If you write to us by **August 28, 2020**, we must stop collection on any amount you dispute until we send you information that shows you owe the debt. You may use the form below or write to us without the form. You may also include supporting documents. We accept disputes electronically at www.example.com/dispute.

What else can you do?

- Write to ask for the name and address of the original creditor, if different from the current creditor. If you write by August 28, 2020, we must stop collection until we send you that information. You may use the form below or write to us without the form. We accept such requests electronically at www.example.com/request.
- Go to www.cfpb.gov/debt-collection to learn more about your rights under federal law. For instance, you have the right to stop or limit how we contact you.
- Contact us about your payment options.
- Póngase en contacto con nosotros para solicitar una copia de este formulario en español.

Notice: See reverse side for important information.

Mail this form to:
North South Group
P.O. Box 123456
Pasadena, CA 91111-2222

Person A
2323 Park Street
Apartment 342
Bethesda, MD 20815

How do you want to respond?

Check all that apply:

- I want to dispute the debt because I think:
 - This is not my debt.
 - The amount is wrong.
 - Other (please describe on reverse or attach additional information).
- I want you to send me the name and address of the original creditor.
- I enclosed this amount: \$

Make your check payable to North South Group. Include the reference number 584-345.

- Quiero este formulario en español.

Can the last statement date be the same as the due date?



- You have 5 options to use as an itemization Date:
 - Statement Date
 - Last Transaction Date
 - Last Payment Date
 - Write Off Date
 - Judgement Date
- You can use the due date as the last statement, if the due date is the same date you send the last statement before it is sent off to your agency .

If an institution decides to use the statement date, would the default date still be required in the file when placements are sent?



- Yes, that date would be use for other purposes to determine the SOL (Statute of Limitations) or reporting to credit bureaus.

Does an institution use the same statement date if placed with a second agency? If returned from agency #1, when placing with agency #2, do we use an updated statement date



- Last statement date would mean the date of the last periodic statement or written account statement or invoice provided to the consumer.

Link:

<https://www.regulations.gov/document/CFPB-2019-0022-0001>

If you don't store a statement date in your system, can you use a statement date of when you are sending the debt to your agencies?



- No the date you send to an agency is irrelevant.

How do you determine the statement date?



- It is the last date you send a statement to the students. If it is an email with a link it would be the date of the email. Under § 1006.34(b)(3)(i), the last statement date is the date of the last periodic statement or written account statement or invoice provided to the consumer by a creditor. For purposes of § 1006.34(b)(3)(i), the last statement may be provided by a creditor or a third party acting on the creditor's behalf, including a creditor's service provider. However, a statement or invoice provided by a debt collector is not a last statement for purposes of § 1006.34(b)(3)(i), unless the debt collector is also a creditor.

What do you consider as last payment date? Does that include financial aid or loan payments? Some tuition accounts won't have any consumer payments but financial aid.



- Last payment date. Under § 1006.34(b)(3)(iii), the last payment date is the date the last payment was applied to the debt. A third-party payment applied to the debt can be a last payment for purposes of § 1006.34(b)(3)(iii).t.

Do these restrictions on making attempts to collect pertain to ALL collection agencies and servicers?



- Yes this is a federal regulation that updates the FCPA in which all collection agencies and servicers have to comply with.

Is the collection charge considered a fee for reporting purposes according to Regulation F?



- Yes, that should be in a separate field on your file layout.

Questions



Thank you!



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