

Beyond Dispute



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“Debt Collection Dialogue” Occurs in Buffalo, New York

On June 15, 2015, several regulatory agencies hosted a conference in Buffalo, NY entitled “Debt Collection Dialogue: A Conversation Between Government and Business.” Participants included Eric Schneiderman, NYS Attorney General, James Morrissey, Assistant Attorney General from the Buffalo office, and representatives from the Federal Trade Commission, Consumer Finance Protection Bureau, and NYS Division of Financial Services. The conference attendees were a veritable who’s who of the receivables-management industry.

A common theme among the presenters was their coordination of enforcement activities, with a focus on abusive collection tactics, and the importance of compliance training and oversight. Of great interest was the discussion of the recently-adopted regulations from the Division of Financial Services, 23 N.Y.C.R.R. § 1, described in the accompanying article.

While recognizing the importance of the receivables-management industry and its positive economic impact, discussion focused on enforcement activities and litigation against “bad actors” and those who masquerade as debt collectors. The presenters said that their focus was on entities with a proportionally high level of complaints regarding egregious activities, including threatened lawsuits, particularly for debt “beyond the statute [of limitations],” collectors misrepresenting themselves as law enforcement, third-party disclosures, and failure to verify debts. Data security was also emphasized. This dialogue was useful in that it showed the level of coordination among the regulatory agencies, their priorities, and the increased enforcement activities involving the receivables-management industry. It was also a better reminder of the importance of compliance than an investigatory subpoena or lawsuit.

— JOHN G. SCHMIDT JR.