

Introduction: The debt collection industry is often subject to misconceptions that run counter to the ethical and legal standards under which RMAI certified businesses operate. These myths can distort public perception and create unnecessary fear among consumers. Below, we address five common myths related to alleged harassment, illegal practices, and lack of professionalism in debt collection.

Myth 1: Debt Collectors send people to jail.

Fact: Debt collection is a civil matter, not a criminal one. RMAI certified businesses adhere to the Fair Debt Collection Practices Act (FDCPA), which prohibits threatening consumers with jail time. The law ensures that all interactions remain within the bounds of civil law, emphasizing respectful and lawful communication.

References:

- **UDAAP Provisions under the Dodd-Frank Act (§ 1031 & 1036):** Prohibits deceptive practices, such as implying that nonpayment of a debt could lead to imprisonment.
- **FDCPA § 807(4):** Prohibits false threats of arrest or imprisonment.
- **RMAI Certification Standard (A1):** Mandates that certified companies comply with all relevant laws, including the FDCPA, to prevent harassment, excessive calling, and the use of threats in debt collection.
- **RMAI Certification Standard (C9):** Requires law firms to “not seek or support a writ of *habeas corpus* or otherwise promote the arrest or detainment of a consumer on a collection matter.”

Myth 2: Debt Collectors' intent is to harass.

Fact: Debt Collectors are required by law to avoid any form of harassment. The FDCPA and similar regulations limit how and when consumers can be contacted, ensuring that communication is fair, reasonable, and respectful. RMAI certified businesses are regularly audited to ensure they follow these regulations, and violations can lead to severe penalties.

Reference:

- **UDAAP Provisions under the Dodd-Frank Act (§ 1031 & 1036):** Prohibits abusive practices that could be considered harassment, such as repeatedly calling consumers with the intent to annoy, abuse, or harass.
- **FDCPA § 806(5):** Prohibits causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass.
- **RMAI Certification Standard (A4):** Employee Training Programs: certified companies must have annual employee training programs that educate employees on compliance with laws and regulations.

- **RMAI Certification Standard (A5):** Complaint and Dispute Resolution: certified companies must have written procedures for handling complaints and disputes, ensuring that consumer concerns are addressed lawfully and ethically.

Myth 3: Debt Collectors never stop calling.

Fact: Debt Collectors must comply with strict rules governing the frequency and timing of calls. The FDCPA sets clear boundaries to prevent harassment, and RMAI certified businesses are held accountable through audits and regulatory oversight.

Reference:

- **UDAAP Provisions under the Dodd-Frank Act (§ 1031 & 1036):** Prohibits abusive practices, including excessively frequent or aggressive calls that could be deemed unfair or deceptive.
- **FDCPA § 806:** Limits calls to specific times of the day (between 8 a.m. and 9 p.m.) and prohibits repeated calls intended to annoy or harass.
- **12 CFR 1006.14 (B) (2):** A debt collector cannot call a consumer more than seven times within seven consecutive days.
- **RMAI Certification Standard (A1):** Mandates that certified businesses comply with all relevant laws, including the FDCPA, to prevent harassment, excessive calling, and the use of threats in debt collection.
- **RMAI Certification Standard (A18):** Requires certified businesses to refrain from calling consumers during natural disasters.

Myth 4: Debt buyers have nothing but a data file.

Fact: RMAI certified debt buyers are required to maintain proper documentation to validate the debt they are collecting. This includes account statements, terms and conditions, and other relevant documents. Audits ensure that certified companies have the necessary documentation to validate the debt, providing transparency and protecting consumer rights.

Reference:

- **UDAAP Provisions under the Dodd-Frank Act (§ 1031 & 1036):** Addresses deceptive practices, such as failing to provide accurate documentation or misrepresenting the status or validity of a debt.
- **FDCPA § 809:** Requires debt collectors to provide verification of the debt upon request, including the name of the original creditor.
- **RMAI Certification Standard (B1):** Requires certified debt buyers to obtain and maintain data and documents that are more comprehensive than any state or federal law or regulation.

Myth 5: Debt collectors operate illegally or are the underbelly of society.

Fact: RMAI certified debt collectors are professionals who operate within a legal framework designed to protect both consumers and creditors. They undergo rigorous background checks

and continuous education to maintain certification. RMAI certified businesses follow all relevant laws and ethical standards, ensuring that their practices are both legal and ethical.

Reference:

- **UDAAP Provisions under the Dodd-Frank Act (§ 1031 & 1036):** Prohibits illegal or unethical practices that would undermine the integrity of the industry, ensuring that collectors operate within the bounds of the law.
- **FDCPA § 805:** Details permissible conduct, including communication methods and times, to ensure legality and respect.
- **RMAI Certification Standard (A3):** Ensures that all employees undergo background checks, filtering out individuals with criminal histories related to dishonesty or fraud, thus maintaining a professional and trustworthy workforce.
- **RMAI Certification Standard (A10):** Requires certified businesses to obtain all required licenses in the states they operate, not rely on ambiguity in statutory construction to avoid licensure.

Conclusion: The debt collection industry is vital to the financial ecosystem, ensuring the repayment of borrowed funds, maintaining liquidity and stability within the economy. By recovering overdue debts, collection efforts help lenders minimize losses, keep credit accessible to consumers, and enable businesses to continue offering loans and services to consumers and companies. Licensed debt collectors operate under strict legal and ethical guidelines. The industry, particularly among RMAI certified businesses, is committed to transparency, fairness, and respect for consumers, ensuring that the industry responsibly serves the economy and the public. Misconceptions are addressed through continuous education and adherence to best practices, reinforcing the integrity of certified debt collectors. Certified companies are audited and regulated to ensure they operate within the law, treating consumers fairly and respectfully.