



(PRLEAP.COM) New York – June 28, 2014 – Pioneer Law (PioneerLawFirm.com) a Colorado firm

providing bankruptcy, FDCPA, real estate, and business law services, reports that new Federal guidelines are having an impact on collection companies. The manner by which judges and Federal Bureaus evaluate credit collection practices appears to be slowly changing in favor of consumers, as the legal system is catching up with changes in technology and consumer preferences.

This month, the Consumer Financial Protection Bureau (CFPB) published two bulletins with updated examples and details of conduct by collectors of consumer debt. Both are important because creditors, debt buyers, and third-party debt collectors are subject to examination and supervision by the CFPB. These documents specifically define what constitutes "unfair, deceptive or [abusive acts or practices](#)" (UDAAP) under the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) and "[deceptive acts or practices](#)

" under the Fair Debt Collection Practices Act (FDCPA). The documents provide an updated outline of what is considered deceptive, misleading, and what brings "harm" to the consumer.

These definitions have been important but the new guidelines may have added impact for collectors. Recently judges in important cases have made rulings that even a [\\$5 processing fee can violate the FDCPA](#)

depending on how the collector positions the cost. In a separate but related ruling this month, the Federal Trade Commission (FTC) announced a [\\$4 million penalty](#)

against one debt collector determined to use deceptive practices to collect more than \$1.3 million in "convenience fees" from consumers. In this case, the company allegedly had collectors deceive consumers, stating that payments were only accepted by phone. In some cases fees were added to accounts without the consumer's knowledge.

A report released this month from the CFPB details frightening findings from [examinations of collectors' practices](#)

over the past year. One debt collector made 17,000 calls to consumers outside of the allowable time range of 8AM-9PM local time and repeatedly contacted over 1,000 consumers, calling some as often as 20 times over the course of two days. The same company used deceptive tactics, such as claiming it intended to prove the debt was owed in court, when the firm had no such intention and wanted only to scare the consumer into action.

The FTC reported that it received [200,000 complaints](#) about debt collection last year and the

CFPB says it received an additional 20,000 verified complaints through its own collection process. Yet despite the large number of complaints, the number of FDCPA lawsuits filed against firms has been decreasing since 2011. This could be in part because of explosive growth in Telephone Consumer Protection Act (TCPA) lawsuits over the past year, seeing a 47% increase in telemarketing lawsuits with law firms and collection companies reallocating their resources.

"The landscape of debt collection and the FDCPA has changed over the last two decades and the legal system is still catching up. Call waiting, voice mail, caller ID, and mobile phones have changed how collection companies work. In the communication age, collectors have either become more streamlined and effective or more desperate to make a dollar," says John Dougherty, Founding Attorney at Pioneer. "Whether it's out of greed or callousness, collectors often make mistakes. However even with the CFPB being more vigilant, consumers today need to know their rights and when they should take legal action against abusive collectors."

About Pioneer Law Pioneer Law is a legal firm specializing in Bankruptcy, Business Litigation, FDCPA, and Real Estate law. For those paralyzed by debt, disputing with a business, troubled by a collector, or involved in the sale of real estate, the specialists at Pioneer Law are prepared to advise, represent, and give peace of mind. For more information visit PioneerLawFirm.com