U.S. Consumer Agency Seeks to Overhaul Debt Collection Industry

The U.S. watchdog for consumer finances unveiled on Thursday a proposal to toughen regulation of the multibillion-dollar debt collection industry, with a focus on keeping agencies from pushing people to pay debts they do not owe, informing borrowers of their rights and cutting down on calls to debtors, according to **a Reuters report**.

Industry advocates expressed concerns about the costs of complying with the suggested requirements, which they warned could be passed on to borrowers or force some of the thousands of small collection firms to shutter. “Those pushing for consumer rights said the proposal left major holes in borrower protections and did not go far enough,” wrote Reuters’ **Lisa Lambert**.

She also reported that the proposal covers third-party collectors and debt-buyers. The CFPB will address first-party collectors and creditors, such as banks with their own collection departments, in the future.

Read the article.