

Office for Financial Success – Financial Tip of the Week

A service of the Personal Financial Planning Department
College of Human Environmental Sciences
University of Missouri-Columbia
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If you've ever heard me teach a class or conduct a counseling session, invariably, the word "awareness" will pop up at some point in time during the discussion. I'm a big believer in the importance of awareness [of all types], but specifically, financial awareness. "Being aware" can help you avoid a lot of life's potential pitfalls.

Over the next month or so, I intend to help you become more aware of various consumer protection laws. These laws all offer important protections and helps to consumers in various situations.

FAIR DEBT COLLECTION PRACTICES ACT (FDCPA).

This act requires that debt collectors treat you fairly, prohibiting certain methods of unfair debt collection practices (i.e., harassment). The FDCPA establishes what collectors can and cannot do:

- May not contact you at 'inconvenient' times (before 8am and after 9pm) as well as inconvenient places (so long as they know your employer disapproves) unless you allow them.
- You can cease contact with a creditor by writing a "cease letter" – this will cease contact unless they are notifying you of a specific action (i.e., taking you to court).
- If you have an attorney, they are required to contact you through the attorney.
- The debt collector may not contact third parties (families, friends, employer, etc.) except to attempt to locate you.
- Within 5 days of first contact, the collector must send a written notice indicating what is owed, name of creditor to whom you owe the money, and how to dispute the collection.
- Prohibited collection practices include: harassment (threats of violence or harm, publish a list of non-paying consumers (except to credit bureaus), use obscenities, and repeatedly call on phone), false or misleading statements, hiding their identity, and any other "unfair" practices.
- Consumer has right to file lawsuit against collector if FDCPA has been violated.

OTHER RESOURCES.

Federal Trade Commission brochure on FDCPA
(<http://www.ftc.gov/bcp/online/pubs/credit/fdc.pdf>)

Full text of FDCPA (<http://www.ftc.gov/os/statutes/fdcpa/fdcpact.htm>)

A primary objective of the MU Office for Financial Success is to provide sound, non-biased information related to your financial life. Financial products are neither sold nor promoted. Our service is free to MU students and an inexpensive educational option for non-students. Visit us (www.missouri.edu/~cfewww/financial) to learn more and/or to schedule an appointment.

The Financial Tip of the Week is a service of the Office for Financial Success

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