



Julie Menin
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By E-mail

[REDACTED]

Re: Call center attempting to collect non-defaulted consumer debt

Dear Mr. [REDACTED]

The New York City Department of Consumer Affairs (the "Department") issues this letter in response to your recent inquiry whether a third-party call center that makes phone calls to New York City consumers seeking to collect non-defaulted debt in the name of the original creditor must be licensed by the Department. The brief answer to your question is no.

The Department licenses debt collection agencies that seek to collect debt from New York City consumers. See New York City Administrative Code ("Code") § 20-490. Code Section 20-489(a) defines "debt collection agency" as "a person engaged in business the principal purpose of which is to regularly collect or attempt to collect *debts owed or due or asserted to be owed or due to another* and shall also include a buyer of delinquent debt who seeks to collect such debt either directly or through the services of another by, including, but not limited to, initiating or using legal processes or other means to collect or attempt to collect such debt" (emphasis added).

In the situation you have described, the call center is attempting to collect debt owed or due or asserted to be owed to someone other than the call center (*i.e.*, the creditor). Thus, the call center would be considered a "debt collection agency" as defined in Code Section 20-489(a), unless it falls into one of the enumerated exceptions. See Code § 20-489(a)(1)-(9).

Section 20-489(a)(7)(iii) of the Code exempts "any person collecting or attempting to collect any debt owed or asserted to be owed or due another to the extent such activity . . . concerns a debt which was not in default at the time it was obtained by such person." While the call center described above seeks to collect debt owed or due or asserted to be owed to someone other than the call center (*i.e.* the creditor), the debt that the call center seeks to collect is not in default. Therefore, the



call center meets the exception in Code § 20-489(a)(7)(iii), and does not need to be licensed by the Department as a debt collection agency.

For more information about New York City's laws and rules regulating debt collection agencies, please visit the Department's website at www.nyc.gov/consumers.

Thank you for your inquiry.

Sincerely,

[Redacted signature]