



Jonathan Mintz  
Commissioner

42 Broadway  
New York, NY 10004

Dial 311 or (212) NEW-  
YORK (outside NYC)

[nyc.gov/consumers](http://nyc.gov/consumers)

November 4, 2010

BY REGULAR MAIL



Re: Debt collection agency inquiry

Dear Mr. [REDACTED]

The Department of Consumer Affairs ("Department") issues this letter in response to an inquiry you submitted to the Department by facsimile regarding Sections 20-493.1 and 20-493.2 of the New York City Administrative Code ("Code"), which contain requirements added to the law governing debt collection agencies. In sum, you seek clarification of the scope of permitted and prohibited communications under the amended law. The short answer is: 1) "permitted communication" in Section 20-493.1 of the Code includes both oral and written communications; and 2) "permitted communication" in Section 20-493.1 of the Code and "prohibited collection practices" in Section 20-493.2 of the Code only apply to communications with consumers related to the collection of a debt.

First, you asked whether the term "permitted communication" in Section 20-493.1 of the Code includes both oral and written communications. Section 20-493.1 requires a debt collection agency to provide specific information to the consumer "[i]n any permitted communication [the agency has] with the consumer" (emphasis added). The plain language of the law states "any permitted communication" and therefore refers to both oral and written communications.

Next, you asked whether the term "permitted communication" covers communications with consumers that are not related to the collection of a debt. You specifically mentioned situations where ". . . a mortgage loan servicer . . . may need to communicate with the borrower the fact that their hazard insurance coverage is expiring, or may need to provide a federally-required notice or disclosure . . . ."

Section 20-493.1 of the Code is titled "Required collection practices," and requires debt collection agencies to provide such information to consumers as the originating creditor of the debt and the amount of the debt at the time of communication. The term "permitted communication" does not apply to communications with consumers that are not related to the collection of a debt. The Department cannot evaluate every type of communication that you send to consumers; however, the Department would not consider the two examples you provided to be communications related to the collection of a debt.

Finally, you asked whether Section 20-493.2 of the Code prohibits communications with consumers that are not related to the collection of a debt during the period after a consumer has requested verification of the debt and before the debt collection agency has provided that verification. Section 20-493.2 of the Code is titled "Prohibited



collection practices” and states:

*...[A] debt collection agency shall not...[a]ttempt to collect or contact a consumer regarding a debt after such consumer requests verification for such debt until such agency furnishes such consumer written documentation identifying the creditor who originated the debt and itemizing the principal balance of the debt that remains or is alleged to remain due and all other charges that are due or alleged to be due...*

The Department’s position is that Section 20-493.2 of the Code does not apply to communications to consumers that are not communications “regarding a debt,” such as the examples you provided in your letter.

For more information about New York City laws that apply to debt collection agencies, please visit our web site at [www.nyc.gov/consumers](http://www.nyc.gov/consumers).

Thank you for your inquiry.

Sincerely,

Department of Consumer Affairs