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

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**BY EMAIL**

[REDACTED]  
Re: "Debt Buyer" Collecting Debts through a Third-Party Debt Collection Agency

Dear Madam or Sir:

The New York City Department of Consumer Affairs (the "Department") issues this letter in response to your recent inquiry whether the Department's regulations require a debt buyer, who does not attempt to collect debts directly from consumers, but rather contracts with a third-party to collect on its behalf, to be licensed by the Department. You also asked whether the Department would reach the same conclusion if the debt buyer, itself, does not file lawsuits against New York City consumers. The brief answer is yes.

All debt collection agencies that collect or attempt to collect debt from New York City consumers must be licensed by the Department. 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).

Therefore, a purchaser of delinquent debt, otherwise known as a debt buyer, is a "debt collection agency" and must be licensed by the Department regardless of whether it collects or attempts to collect from consumers directly or through a third-party and regardless of whether the debt buyer initiates or uses legal process to collect debt from consumers.

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

Thank you for your inquiry.

Sincerely,  
[REDACTED]  
[REDACTED]