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BY E-MAIL



**Re: Debt collection agency question**

Dear Sir/Madam:

The New York City Department of Consumer Affairs ("Department") issues this letter in response to your recent inquiry. You requested information on licensing of debt collection agencies.

From your questions, it appears you may be under the impression that the Department issues different licenses to debt collection agencies based on agency "type." The Department issues only one type of debt collection agency license. Under Section 20-489(a) of the Administrative Code of the City of New York, a debt collection agency that requires a license from the Department is:

*. . . 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.*

Note that attorneys are not automatically exempt from the licensing requirement. Section 20-489(a)(5) of the Code requires licensing for attorneys who:

*. . . regularly engage[re] in activities traditionally performed by debt collectors, including, but not limited to, contacting a debtor through the mail or via telephone with the purpose of collecting a debt or other activities as determined by rule of the commissioner.*

For more information about New York City's laws and rules regulating debt collection agencies and on debt collection agency licensing, please visit the Department's web site at [www.nyc.gov/consumers](http://www.nyc.gov/consumers). Note that other laws enforced by Federal, State, and/or other City agencies may apply to your business.

Thank you for your inquiry.

Sincerely,

Department of Consumer Affairs