

Consumer Finance Litigation



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CFPB Proposes Delay of Effective Date for Debt Collection Rules

On April 7, 2021, the Consumer Financial Protection Bureau (“CFPB”) issued a Notice of Proposed Rulemaking delaying the effective date of its recent debt collection final rules. The final rules, which were issued on October 30, 2020 and December 18, 2020, were scheduled to become effective on November 30, 2021. However, in light of the ongoing COVID-19 pandemic, the CFPB has proposed delaying the effective date until January 29, 2022, in order to give the affected parties additional time to review and comply with the new rules.

The [first debt collection rule](#) clarifies various outstanding issues originally addressed by the Fair Debt Collection Practices Act of 1977, such as what debt collection practices are considered harassing, oppressive, or abusive, including communications by e-mail and text message.

The [second debt collection rule](#) outlines various requirements regarding debt collection disclosures, and requires debt collectors to disclose the existence of a debt to the customer, orally, in writing, or electronically, before it can report information concerning the debt to a consumer reporting agency. The second rule also focuses on the prohibition of filing a suit to collect, or threatening suit to collect, time-barred debt.

The proposal will be open for comment for 30 days following publication in the Federal Register. If you have any questions or would like to submit a comment, please do not hesitate to contact Blank Rome’s [Consumer Financial Services](#) team.

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