

# Debtors' Rights: Dealing with Collection Agencies

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❖ You can find all the fact sheets we link to here at WashingtonLawHelp.org.

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## Collection agencies are calling me nonstop. What can I do?

If you live in Washington State, read this to get help understanding debt collection practices and your rights. If a collection agency is suing you **or** already has a judgment against you, our packets on [How do I Answer a Lawsuit for Debt Collection](#) or [How to Claim Personal Property Exemptions](#) have forms, instructions, and advice you can use.

## What is a collection agency?

Federal and Washington state laws define a collection agency as a business or an organization whose main purpose is collecting debts. Under this definition, lawyers who regularly collect consumer debt are debt collectors. They also must follow state and federal law.

This definition does **not** include the credit or collection office of a business whose main purpose is **not** debt collection. **Example:** The credit office of a department store or car dealership, or a bank that issues credit cards and tries to collect a debt, is not a "collection agency" within the law's meaning. Collecting debts is not their main business.

Federal and state laws protect debtors who are contacted by collection agencies. Washington's laws are the **Collection Agency Act (CAA)** and **Consumer Protection Act (CPA)**. You can read these laws at [RCW 19.16.100](#) and [RCW](#)

[19.86.010](#). The federal law is the **Fair Debt Collection Practices Act (FDCPA)**. You can read it at [15 U.S.C. 1692](#).

## What must the collection agency do?

A collection agency is required to contact you in writing about a debt. If the collection agency first contacts you by phone, you should insist they contact you in writing.

The first written notice from a collection agency must have all this information:

- The collection agency's name and address
- The debt amount, stating the original debt and a breakdown of other costs or interest
- The name of the creditor you owe
- A statement that unless you disagree with (you *dispute*) the debt within 30 days after getting the notice, the agency will assume the debt is valid
- A statement that, if you ask for it within 30 days, the collector will give you the original creditor's name, if different from the collector
- A statement that if you notify the debt collector in writing within 30 days of getting the notice that you dispute the debt, the collection agency will mail you proof (*verification*) of the debt

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❖ **Every communication** from a collector must clearly state that they are trying to collect a debt and will use any information they get from you in their efforts.

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If the debt is **medical debt**, the notice must also state these things:

- Your right to ask for the original account number assigned to the debt
- Your right to ask for the date of your last payment
- Your right to ask for an itemized statement that gives you all of these:

- the medical creditor's name and address,
- the dates of service,
- the services the provider claims it provided you,
- the amount of principal owed on the debt,
- any adjustment to the bill, the amount of any payments from you or anyone else,
- any interest or fees, and
- if you were found eligible to get Charity Care and if Charity Care payments were applied to the debt

A collection agency may not report information about medical debt to a credit bureau for at least 180 days from the date the collection agency received the information about the debt. Read [Can I Get Charity Care Benefits To Pay For My Hospital Bill? Getting Help with Medical Debt in Washington State](#) to learn more.

## What if I do not think I owe the debt?

You must tell the collection agency in writing within the 30-day period described above if you disagree that you owe any of the debt. Once the collection agency gets your written notice that you dispute the debt, it must stop collection until it sends you its proof that you do owe it.

Keep copies of what you send to the collection agency. Whenever you can, use certified mail, return receipt requested. See **Form Letter #1**.

Here are some **examples** of disputes of debts:

- You do not believe you owe the debt, or you owe something, but not the amount claimed.
- You paid the debt.
- You had medical coupons. The creditor should have billed the Washington State Health Care Authority.

- You were hospitalized. You told the hospital you could not pay for care. The hospital should have considered payment under a charitable care policy.
- You believe collection of the debt is time-barred. See below.

## What does “time-barred” mean?

A collection agency must start a legal claim against you within certain legal time limitations, called the *statute of limitations*. If it does not, it is “time-barred.” The claim has expired. The collection agency waited too long. It cannot bring the claim now.

The exact time limit depends on the basis for the debt or type of claim. Most claims based on written contracts governed by Washington law must be begun within **6 years** of the date of default on the account (usually the date of the first missed payment). Most claims based on oral contracts must be begun within **3 years** of default.

If you make a payment on the account within the statute of limitations period, the time period **restarts**. The creditor will get another 6 or 3 years (depending on the kind of contract it is) to file a lawsuit.

If you make a payment **after** the statute of limitations time has expired, that will **not** restart the time period.

### Examples:

- 1.** The deadline to file a lawsuit on a credit card debt is September 15, 2023 (6 years from the date of default on the account). The debtor makes a payment on August 15, 2023.
- 2.** The creditor or collection agency has 6 years from the date of the next default to file a lawsuit.
- 3.** The deadline to file a lawsuit on credit card debt is September 15, 2023. The creditor or collection agency fails to file a lawsuit before the deadline. The debtor makes a payment on September 30, 2023.

In this situation, the creditor or collection agency may not ever file a lawsuit.

The claim has expired.

## Can I make the collection agency stop contacting me?

Under the [Fair Debt Collection Practices Act](#) (FDCPA), if you tell the collection agency **in writing** to stop communicating with you, they can only contact you again to advise you

- it will stop trying to collect from you
- it plans to take action against you, such as filing a lawsuit

This law applies even if you do owe the debt.

## What should my letter to the collection agency say?

You must include:

- Your name and address
- If available, the account number on the collection agency's statement
- The date
- A statement that you are exercising your rights under the FDCPA
- A statement that you want the collection agency to stop calling or writing, or both

See **Form Letter #2. Keep a copy of this letter.** Mail the collection agency the original. Mail the original creditor a copy.

**You must send the collection agency the letter** by U.S. mail. Get proof of delivery from the post office by online tracking or certified mail. Keep a copy of your letter and proof of delivery. If, after sending it, the collection agency contacts you again, they have violated the FDCPA. You can sue the collection agency for money damages and lawyer fees.

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❖ This will not stop the collection agency from suing you. It only stops them from calling and sending you letters.

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## Which property and income does the law protect from

## debt collection?

Here are some examples of the kinds of **income** that cannot be taken:

- Social Security
- Supplemental Security Income (SSI)
- Veterans benefits
- Temporary Assistance for Needy Families (TANF)
- Child support you get
- Most pensions (private, federal and civil service)
- Unemployment Compensation
- Federal student loans

Some of your wages are also protected (are *exempt*): for **consumer** debt, the greater of 35 times the current state minimum wage or 80% of your net pay. ("Net pay" is gross pay minus taxes, Social Security, and other mandatory deductions.) Different exemptions apply for taxes, child support, private student loan judgments, and judgments that do not fall into any of those categories.

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❖ Read [Money That Cannot be Taken from You \("Garnished"\) to pay off a Debt](#) to learn more.

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If your income is exempt from garnishment, let the collection agency know in writing. Keep a copy of the letter.

**Example:** Your only income is Social Security, which is exempt by federal law from garnishment. You would put that in your letter. You should also put this information in all your other written correspondence to the agency. (**Example:** a "cease communication" letter, telling the agency to stop contacting you.)

This **property** cannot be taken to collect a debt:

- **Your home**, if you have up to \$125,000 equity in your home or you can claim the median sale price of a single-family home in your county the previous calendar year, if that is more than \$125,000. **Equity** is the amount of money

you would keep after you sold your home and paid off the mortgage and other liens. You can find the median sale price of homes in your county at <https://wcrer.be.uw.edu/archived-reports/>.

- Your car, if it is of limited value
- Your personal belongings, up to a certain limit
- Your cell phone, personal computer, and printer

If a creditor or collector is trying to garnish your income or property, see [How to Claim Personal Property Exemptions](#) to learn more.

## What are unlawful practices?

The Washington Collection Agency Act and federal Fair Debt Collection Practices Act prohibit harassment, false or misleading statements and unfair practices by collection agencies. If you believe a collection agency has unreasonably harassed or misled you, you can sue them. You could win damages and lawyer fees. Here are some **examples** of violations:

- The collection agency threatens to tell or tells your employer or neighbors about the debt.
- The collection agency calls at hours defined by law as “unreasonable:” 9:00 p.m. - 8:00 a.m. under federal law; 9:00 p.m. - 7:30 a.m. under state law.
- The collection agency threatens you with illegal action, such as threatening to take money out of your Social Security check, taking other exempt property, or threatening arrest or jail.
- The debt collector communicates with you or anyone in your household in a harassing, intimidating, threatening, or embarrassing way.
- The debt collector communicates with you or your spouse more than 3 times in one week.
- The debt collector sends you notices that deliberately look like government documents or an emergency message.

- The debt collector asks for a postdated check or threatens you with criminal prosecution.
- The debt collector deposits a postdated check before the date on the check. **A collector’s acceptance of your postdated check violates the law unless you had 3 to 10 business days’ notice before the collector deposited the check.**

If you believe a collection agency has violated your rights under the law, or a collection agency sues you on a debt you do not believe is valid, contact a lawyer. Agencies taking complaints about violations of the Fair Debt Collection Practices Act and the Washington Collection Agency Act are:

<p><b>Department of Licensing</b> Collection Agency Board PO Box 9034 Olympia, WA 98507-9034 Phone: 800-451-7985 FAX: 360-750-6699 Email: <a href="mailto:BLS@dol.wa.gov">BLS@dol.wa.gov</a></p>	<p><b>Federal Trade Commission</b> 915 Second Avenue, Room 2806 Seattle, Washington 98174 Online Complaint: <a href="http://ftccomplaintassistant.gov">ftccomplaintassistant.gov</a></p>	<p><b>Washington State Attorney General</b> Consumer Protection Division 800 5<sup>th</sup> Ave., Suite 2000 Seattle, WA 98104-3188 Phone: 1-800-551-4636 Online Complaint: <a href="http://www.atg.wa.gov/file-complaint">www.atg.wa.gov/file-complaint</a></p>
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## What can I do on my own?

Make sure you have strong proof that the collection agency violated the law. You should:

- Set up a place to keep everything you get from the collection agency, including envelopes.
- Make notes of every phone call from the collection agency, including date, time, content, and names of people involved in the conversations.
- If you learn the collection agency has contacted anyone besides you, make notes of the same information.



- If the stress of dealing with a collection agency causes physical, mental or emotional problems for you, see a counselor or doctor of your choice. Discuss the situation thoroughly with them.

## Get Legal Help

- **Apply online:** [nwjustice.org/apply-online](https://nwjustice.org/apply-online)
- **Facing Eviction?** Call 1-855-657-8387
- **Facing Foreclosure?** Call 1-800-606-4819
- **Facing a legal issue in King County** (other than Eviction or Foreclosure)? Call 211 (or toll-free 1-877-211-9274) weekdays 8:00 am to 6:00 pm. They will refer you to a legal aid provider.
- **Facing a legal issue outside of King County** (other than Eviction or Foreclosure)? Call the CLEAR Hotline at 1-888-201-1014 weekdays between 9:15 am and 12:15 pm or apply online at [nwjustice.org/apply-online](https://nwjustice.org/apply-online).
- **Seniors (age 60 and over)** with a legal issue outside of King County can also call CLEAR\*Sr at 1-888-387-7111

**Deaf, hard of hearing or speech impaired callers** can call any of these numbers using the relay service of your choice.

Interpreters provided.

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**Form letter #1: No-contact letter, verification request.**

You can use this “no-contact letter” form with collectors.

**This letter includes a general request for verification.** If you have specific disputes (for example, you want to dispute that this is your account), ask for information related to those in the verification request. Mention those specific disputes in the letter.

Collection Agency Name:  
Address:

RE: Account No.:

To Whom It May Concern:

I dispute the validity of the debt in the above-reference account, and would like verification from you of the debt, the amount owed, and proof of a valid assignment of the debt from the original creditor to you. Please send me copies of all documents related to this debt including, but not limited to, court judgments or other orders, contracts, billing statements, account records, invoices, receipts, cancelled checks and correspondence. In addition, please detail all costs and interest charges owed, the dates incurred, and all amounts paid on the account. Send all of the requested documents to me at the address listed below.

I am also exercising my rights under the Fair Debt Collection Practices Act, 15 U.S.C §1692, and demand that you cease all communication with me, my family members and all other third persons.

I cannot pay this debt. My only income is from Social Security. My income is exempt from garnishment pursuant to 42 U.S.C. §1383(d) and §407. I have no real or personal property to use to pay this debt.

Sincerely,

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Printed Name: \_\_\_\_\_

Address: \_\_\_\_\_  
  
\_\_\_\_\_

[Send by certified mail/return receipt requested or ask the post office for tracking/delivery confirmation. Keep a copy of your letter and proof of delivery.]

**Form letter #2: No-contact letter, no verification.**

You can use this “no-contact letter form” to deal with collectors.

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❖ This form letter does not have a request for verification.

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Collection Agency Name:  
Address:

RE: Account No.:

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