

## What is a debt collector not allowed to do?

A debt collector cannot:

- Use obscene or profane language.
- Deposit or threaten to deposit a postdated check before the date on the check.
- Misrepresent the character, amount or legal status of the debt.
- Send a document that appears to be authorized, issued or approved by a state or federal agency or a court.
- Claim or imply that if the debt is not paid, you will be arrested or your wages will be garnished, UNLESS the creditor is legally allowed to do those acts AND intends to do so.

## A Special Note About Wage Garnishment

Wage garnishment is prohibited in South Carolina EXCEPT in 3 cases:

- if money is owed to the government
- if money is owed for child support
- if a garnishment order has been entered in another state while the consumer was a resident there but the consumer later moves to South Carolina

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## Who can you contact if you believe a debt collector violated the law?

Contact the Department of Consumer Affairs toll-free at 1.800.922.1594 or online at [www.sconsumer.gov](http://www.sconsumer.gov).

## What about federal law?

The Fair Debt Collection Practices Act also gives consumers protection when dealing with debt collectors. This law has broader prohibitions, but only applies to debt collectors hired by the creditor and creditors who use a different business name when collecting debts owed to them.

## Helpful Tip:

Federal law places limits on how long a negative item can be reported on a consumer's credit report. For example, credit reporting agencies cannot report an account that has been put into collections or that has been charged off more than 7 ½ years after it was reported. For more information on the federal law, contact the Department or the Federal Trade Commission.

contact us



[3600 Forest Drive] [Columbia, SC 29204]  
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# Debt Collection



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# What SC Consumers Need To Know About Debt Collectors

With consumer debt at all time highs, more people are being contacted by “debt collectors.” State law provides consumer protections against unfair debt collection. The Unconscionable Debt Collection Practices Act requires collectors to treat consumer fairly and prohibits certain methods of debt collection.



## Who is a debt collector?

A debt collector is any person who collects, attempts to collect, directly or indirectly, debts due or asserted to be owed to another and a creditor collecting his own debts.

## What debts are covered by the law?

Personal, family, and household debts are covered. This includes money owed for/on credit cards, vehicles, rental-purchase agreements, or loans.

## How may they contact you?

A collector may contact you in person, by mail, telephone, telegram, or fax. However, a debt collector cannot contact you by using a postcard. If you have an attorney, and the debt collector knows this, the collector may not contact you unless your attorney agrees or fails to respond.

## When may they contact you?

A collector may contact you by telephone between 8 a.m. and 9 p.m., unless you agree otherwise. A debt collector, however, cannot contact you several times in a 24-hour period.

## Where may they contact you?

The debt collector may contact you at your home or work. The collector may even contact other people, but only to find out where you live, your phone number and where you work.

## When can a creditor demand full payment of a debt or repossess property?

If a consumer misses a required payment, a creditor must give a “Right to Cure” notice before they can demand payment of the balance or repossess the property.

**WHEN:** The notice cannot be sent until the consumer has been in default for more than 10 days.

**TIME:** The consumer has 20 days from the date of the notice to make the missed payment.

**EFFECT:** If the consumer makes the payment within 20 days, the default is cured.

**CAUTION:** There are limits to the number of notices a consumer has the right to receive from their creditor. In the case of purchasing an automobile, only one notice is required.

**Example:** Consumer defaults in March, receives the notice and cures the default. Consumer defaults again in June. The creditor does not need to send a notice.

In the case of a credit card account, the consumer is entitled to a notice once every twelve months.

**Example:** Consumer misses the April payment, receives the notice and cures the default.

Consumer then defaults in May of the following year. The creditor must give another notice before trying to collect the balance. If the consumer defaults again in December, the creditor does not have to give the notice.

## How do you stop them from contacting your employer?

Either you or your employer can write a letter telling the collector to stop. After the collector receives this letter, they can no longer contact your employer except to verify your employment.

**Helpful Tip:** Federal law allows you to write a 3<sup>rd</sup> party debt collector, telling them to stop contacting you at home. Once the collector receives your letter, they may not contact you again except to say they will no longer contact you or to notify you that the debt collector or creditor intends to take some specific action.

**Remember:** This does not make the debt go away.