



Councilmember Mary M. Cheh

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A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend Subchapter I of Chapter 38 of Title 28 of the D.C. Official Code to further prohibit the use of fraudulent, deceptive, or misleading devices or practices to collect a consumer debt, to require the possession of particular information before a debt collector may collect on a consumer debt, to require the debt collector to provide a consumer with a notice pertaining to the debt collection, to impose filing requirements on a debt buyer initiating a cause of action against a consumer, and to establish penalties for a debt buyer that violates the requirements.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Debt Buying Limitation Amendment Act of 2019”.

Sec. 2. Chapter 38 of Title 28 of the District of Columbia Official Code is amended as follows:

(a) Section 28-3814 is amended as follows:

(1) Subsection (a) is amended by striking the phrase “arising from consumer credit sales, consumer leases, and direct installment loans” and inserting the phrase “arising from any consumer debt” in its place.

(2) Subsection (b) is amended to read as follows:

“(b) As used in this section, the term:

“(1) “charged-off” means a consumer debt that has been removed from a creditor’s books as an asset and treated as a loss or expense;

38                   “(2) “claim” means an obligation or alleged obligation, arising from a consumer  
39 debt;

40                   “(3) “consumer debt” means an obligation or alleged obligation of a consumer to  
41 pay money arising out of a transaction in which the money, property, insurance, goods, or  
42 services that are the subject of the transaction are primarily for personal, family, or household  
43 purposes, whether or not the obligation has been reduced to judgment;

44                   “(4) “creditor” means a claimant or other person holding a claim;

45                   “(5) “debt buyer” means a person or entity that is engaged in the business of  
46 purchasing charged-off consumer debt or other delinquent consumer debt for collection  
47 purposes, whether it collects the debt itself or hires a third party for collection, including an  
48 attorney, in order to collect such debt. A debt buyer is considered a debt collector for all  
49 purposes;

50                   “(6) “debt collection” means any action, conduct or practice in connection with  
51 the solicitation or collection of claims that are owed or due or are alleged to be owed or due;

52                   “(7) “debt collector” means a person engaging directly or indirectly in debt  
53 collection, including a person who sells or offers to sell forms represented to be a collection  
54 system, device, or scheme intended or calculated to be used to collect claims; and

55                   “(8) “person” means an individual, corporation, business trust, estate, trust  
56 partnership, limited liability company, association, joint venture, government, governmental  
57 subdivision, agency, or instrumentality, public corporation, or any other legal or commercial  
58 entity.”

59                   (3) Subsection (c) is amended as follows:

60 (A) The lead-in language is amended by striking the phrase “or attempt to  
61 coerce in any of the following ways:” and inserting the phrase “or attempt to coerce in any way,  
62 including:” in its place.

63 (B) Paragraph (2) is amended by striking the phrase “would tend to  
64 disgrace such other person or in any way subject him to ridicule, or any conduct which, if true,  
65 would tend to disgrace such other person or in any way subject him to ridicule or contempt of  
66 society;” and inserting the phrase “would tend to disgrace such other person or in any way  
67 subject him to ridicule or contempt of society;” in its place.

68 (C) Paragraph (4) is amended as follows:

69 (i) Strike the phrase “the threat to sell or assign to another the  
70 obligation of the consumer with an attending representation” and insert the phrase “the threat to  
71 sell or assign to another the consumer debt with an attending representation” in its place.

72 (ii) Strike the phrase “; and” and insert a semicolon in its place.

73 (D) Paragraph (5) is amended by striking the period and inserting a  
74 semicolon in its place.

75 (E) New paragraphs (6) and (7) are added to read as follows:

76 “(6) disclose or threaten to disclose information concerning the existence of a debt  
77 known to be disputed by the consumer without disclosing the fact that the debt is disputed by the  
78 consumer; and

79 “(7) disclose or threaten to disclose information affecting the consumer’s  
80 reputation for credit worthiness with knowledge or reason to know that the information is false.”.

81 (4) Subsection (d) is amended as follows:

82 (A) The lead-in language is amended by striking the phrase “in any of the  
83 following ways:” and inserting the phrase “in any way, including” in its place.

84 (B) Paragraph (2) is amended by striking the phrase “; and” and inserting a  
85 semicolon in its place.

86 (C) Paragraph (3) is amended by striking the period and inserting the  
87 phrase “; and” in its place.

88 (D) A new paragraph (4) is added to read as follows:

89 “(4) communicate with the consumer or any member of the consumer’s family or  
90 household with such frequency or in such a manner that can reasonably be expected to abuse or  
91 harass the consumer.”.

92 (5) Subsection (e) is amended as follows:

93 (A) The lead-in language is amended by striking the phrase “in any of the  
94 following ways:” and inserting the phrase “in any way, including:”

95 (B) Paragraph (1) is amended by striking the phrase “the communication  
96 of any false information” and inserting the phrase “the communication of any information” in its  
97 place.

98 (C) Paragraph (2) is amended by striking the phrase “communication of  
99 false information” and inserting the phrase “communication of information” in its place.

100 (6) The lead-in language of subsection (f) is amended to read as follows:

101 “(f) No creditor or debt collector shall use any unfair, abusive, harassing, fraudulent,  
102 deceptive, or misleading representation, device, or practice to collect a consumer debt or to  
103 obtain information concerning consumers in any way, including:”.

104 (7) The lead-in language of subsection (g) is amended by striking the phrase “in  
105 any of the following ways” and inserting the phrase “in any way, including:” in its place.

106 (8) Subsection (j) is amended as follows:

107 (A) Paragraph (1) is amended as follows:

108 (i) Strike the phrase “has willfully violated” and insert the phrase  
109 “has violated” in its place.

110 (ii) Strike the phrase “any provision of the foregoing subsections of  
111 this section” and insert the phrase “any provision of this section” in its place.

112 (B) Paragraph (2) is amended by striking the phrase “violation of the  
113 foregoing subsections of this section” and inserting the phrase “violation of any provision of this  
114 section” in its place.

115 (9) New subsections (l), (m), (n), (o), and (p) are added to read as follows:

116 “(l) A violation of the Fair Debt Collection Practices Act, approved September 20, 1977  
117 (91 Stat. 874; 15 U.S.C. § 1692 *et seq.*), shall constitute a violation of this section.

118 “(m)(1) No debt collector shall collect or attempt to collect a consumer debt, unless the  
119 debt collector is in possession of the following information or documents:

120 “(A) The name of the current creditor or owner of the consumer debt;

121 “(B) The original creditor’s name at the time of charge-off, if different  
122 from the current owner of the consumer debt;

123 “(C) The original creditor’s account number for the consumer at the time  
124 of charge-off;

125 “(D) The principal amount due at charge-off;

126 “(E) An itemization of interest and fees that accrued before being charged-  
127 off, if any, claimed to be owed;

128 “(F) An itemization of interest and fees that accrued after being charged-  
129 off, if any, claimed to be owed and an indication of whether said interest and fees were imposed  
130 by the original creditor or any subsequent owners of the consumer debt;

131                   “(G) The date that the consumer debt was incurred; provided, that in the  
132 case of a revolving credit account, the date that the consumer debt was incurred shall be the last  
133 extension of credit made for the purchase of goods or services, for the lease of goods, or as a  
134 loan of money;

135                   “(H) The date and amount of the last payment, if applicable; and

136                   “(I) The names of all persons or entities that owned the consumer debt  
137 after the original creditor, if applicable, and the date of each sale or transfer.

138                   “(2) A debt collector shall provide the information or documents identified in  
139 paragraph (1) of this subsection to the consumer in writing within 5 days after the initial  
140 communication with the consumer and shall cease all collection of the consumer debt until such  
141 information is provided.

142                   “(3) No debt collector shall initiate a cause of action to collect a consumer debt  
143 when the debt collector knows or reasonably should know that the applicable statute of  
144 limitations period has expired.”

145                   “(4) Notwithstanding any other provision of law, when the applicable statute of  
146 limitations period expires, any subsequent payment toward or written or oral affirmation of such  
147 consumer debt shall not extend the limitations period.”

148                   “(n)(1) No debt buyer shall collect, attempt to collect, or initiate a cause of action to  
149 collect a consumer debt when the debt buyer knows or reasonably should know that the  
150 applicable statute of limitations period has expired.

151                   (2) No debt buyer shall collect, attempt to collect, or initiate a cause of action to  
152 collect a consumer debt, unless the debt buyer is in possession of the following information or  
153 documents:

154                   “(A) Documentation establishing the information identified in subsection  
155 (m)(1) of this section;

156                   “(B) Documentation establishing that the debt buyer is the owner of the  
157 specific consumer debt at issue; and

158                   “(C) A copy of the contract, application, or other writing evidencing the  
159 consumer’s agreement to the consumer debt containing the consumer’s signature, subject to the  
160 following exceptions:

161                                 “(i) Should the consumer debt arise from a revolving credit  
162 account and no signed document evidencing the consumer debt ever existed, then the debt buyer  
163 shall provide copies of the most recent monthly statement recording a purchase transaction,  
164 service billed, last payment, or balance transfer and monthly statements from the 11 months  
165 immediately preceding the most recent statement; and

166                                 “(ii) For all other transactions where a signature is not required, the  
167 debt buyer shall provide other documentation evidencing the consumer’s agreement to the  
168 consumer debt.

169                   “(3)(A) A debt buyer shall provide the documents identified in paragraph (1) of  
170 this subsection to the consumer without charge within 15 days of receipt of a consumer’s request  
171 for documentation regarding the consumer debt or proof of the consumer debt.

172                   “(B) If the debt buyer cannot provide the documents within 15 days, the  
173 debt buyer shall cease all collection of the consumer debt until the debt buyer provides the  
174 consumer the documents described in paragraph (1) of this subsection.

175                   “(o)(1) In its first written communication with a consumer, a debt buyer shall include a  
176 separate, prominent notice in a font of at least 12-point type stating the following:

177 “You may request records demonstrating the following: (1) that [insert name of debt  
178 “buyer] is the current owner of the debt and has the right to seek collection of the debt; (2) the  
179 “debt balance, including an explanation of any interest charges and additional fees; (3) the date  
180 “of default or the date of the last payment; (4) the name of the charge-off creditor and the  
181 “account number associated with the debt; (5) the name and last known address of the debtor as  
182 “it appeared in the charge-off creditor’s or debt buyer’s records prior to the sale of the debt; and  
183 “(6) the names of all persons or entities that have purchased the debt. You may also request from  
184 “us a copy of the contract or other document evidencing your agreement to the debt. A request  
185 “for these records may be addressed to: [insert debt buyer’s active mailing address and email  
186 “address, if applicable].”

187 “(2) If a language other than English is principally used by the debt buyer in the  
188 initial verbal contact with the consumer, the notices required by this section shall be provided to  
189 the consumer in that language.

190 “(p)(1) A debt collector who enters into a payment schedule or settlement agreement  
191 regarding a consumer debt shall provide a written copy of the payment schedule or settlement  
192 agreement to the consumer within 15 days.

193 “(2) A consumer shall not be required to make a payment on a payment schedule  
194 or settlement agreement until the written agreement required by paragraph (1) of this subsection  
195 has been provided by the debt collector.”

196 (b) The table of contents is amended by adding a new section designation to read as  
197 follows:

198 “28-3814a. Debt buyer; causes of action.”

199 (c) A new section 28-3814a is added to read as follows:

200 “§ 28-3814a. Debt buyer; causes of action.



201           “(a) For purposes of this section, the terms “consumer debt,” “debt buyer,” “debt  
202 collection,” and “debt collector” shall have the same meaning as provided in §28-3814(b).

203           “(b) In a cause of action initiated by a debt buyer to collect a consumer debt, the debt  
204 buyer shall allege the following information in the complaint or statement of claim:

205                   “(1) A short and plain statement of the type of consumer debt;

206                   “(2) The information enumerated in § 28-3814(m)(1);

207                   “(3) The basis for any interest and fees charged;

208                   “(4) The basis for the request of attorney’s fees, if applicable;

209                   “(5) That the debt buyer is the current owner of the consumer debt and a  
210 chronological listing of the names of all prior owners of the consumer debt and the date of each  
211 transfer of ownership, beginning with the original creditor; and

212                   “(6) That the suit is filed within the applicable statute of limitations period;

213           “(c) In a cause of action initiated by a debt buyer to collect a consumer debt, the debt  
214 buyer shall attach all of the following materials in the complaint or statement of claim:

215                   “(1) Documentation to establish the information required in § 28-3814(m)(1);

216                   “(2) Documentation to establish the information required in § 28-3814(n)(1)(C);

217 and

218                   “(3) A copy of the bill of sale or other writing establishing that the debt buyer is  
219 the owner of the consumer debt; provided, that if the consumer debt has transferred ownership  
220 more than once, a copy of each bill of sale or other writing establishing transfer of ownership of  
221 the consumer debt shall be attached; provided, further that each bill of sale or other writing  
222 evidencing transfer of ownership shall contain the original creditor’s account number of the  
223 consumer debt purchased and must clearly show the consumer’s name associated with that  
224 account number.

225 “(d)(1) In a cause of action initiated by a debt buyer to collect on a consumer debt where  
226 the defendant’s income includes income exempt from garnishment under federal or state law, or  
227 the settlement agreement requires the defendant to make payments from disposable wages in  
228 amounts more than what is allowable under § 16-572, the court shall not approve a settlement  
229 agreement subject to this subsection, unless the defendant has:

230 “(A) Been informed of the nature of the protected income;

231 “(B) Affirmed that he or she understands that some or all of such protected  
232 income may be included in the settlement agreement; and

233 “(C) Affirmed that they have the ability to make the settlement payments.

234 “(2) The requirements of paragraph (1) of this subsection shall be satisfied by an  
235 affidavit or other form signed by the defendant.

236 “(e) If the defendant appears for trial on the scheduled trial date and the debt buyer either  
237 fails to appear or is not prepared to proceed with trial, and the court does not find good cause for  
238 a continuance, the court shall dismiss the action with prejudice and may award the defendant  
239 reasonable attorney’s fees and costs incurred in defending the action and preparing for trial,  
240 including lost wages and transportation expenses.

241 “(f) In a cause of action initiated by a debt buyer to collect a consumer debt, before entry  
242 of a judgment or order against a defendant, the debt buyer shall file with the court:

243 “(1) A statement of compliance with subsections (b) and (c) of this section;

244 “(2) Authenticated business records that establish the information and  
245 documentation required under subsections (b) and (c) of this section;

246 “(3) An authenticated copy of the terms and conditions that apply to the  
247 consumer’s account and establish the basis for the interest and fees claimed;

248                   “(4) An affidavit executed by the debt buyer’s counsel affirming that the statute of  
249 limitations period has not expired and providing the factual and legal basis for such affirmation;  
250 and

251                   “(5) Notwithstanding any other provision of law, if attorney’s fees are sought  
252 pursuant to a valid contract, an authenticated copy of the contract evidencing the debt buyer’s  
253 entitlement to attorney’s fees.

254                   “(g) In a cause of action initiated by a debt buyer to collect a consumer debt, if a debt  
255 buyer seeks a judgment or order against the defendant and has not complied with the  
256 requirements of this section, the court shall dismiss the action with prejudice.

257                   “(h) If the debt buyer is the prevailing party in an action to collect a consumer debt,  
258 interest on the judgment shall be determined by the rate agreed upon in the original contract;  
259 provided, that the interest rate shall not exceed an annual rate of 2%.

260                   “(i) A debt buyer that violates any provision of this section with respect to a consumer  
261 shall be liable to the consumer for the following:

262                   “(1) Actual damages;

263                   “(2) Costs and reasonable attorney’s fees;

264                   “(3) Punitive damages;

265                   “(4) If the consumer is an individual, the court may award an additional penalty in  
266 an amount not less than \$500 per violation and not to exceed \$4,000 per violation;

267                   “(5) In the case of a class action, the amount for each named plaintiff as could be  
268 recovered under paragraph (1) of this subsection and an amount as the court may determine for  
269 each class member, not exceeding the amount per person that could be recovered under  
270 paragraph (2) of this subsection; and

271                   “(6) Any other relief which the court determines proper.

272           “(j) If a debt buyer violates this section, neither the debt buyer nor any other person or  
273 entity who may legally seek to collect on the consumer debt shall be allowed to collect the  
274 amount of the original claim or consumer debt or any interest, service charge, attorney’s fees,  
275 collection costs, delinquency charge, or any other fees or charges legally chargeable to the  
276 consumer on such consumer debt.

277           “(k) A cause of action against a debt buyer, pursuant to this section, shall be brought  
278 within 4 years after the date on which the violation occurs.”.

279           Sec. 3. Fiscal impact statement.

280           The Council adopts the fiscal impact statement in the committee report as the fiscal  
281 impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,  
282 approved December 24, 1973 (87 Stat. 813, D.C. Official Code § 1-206.02(c)(3)).

283           Sec. 4. Effective date.

284           This act shall take effect following approval by the Mayor (or in the event of veto by the  
285 Mayor, action by the Council to override the veto), a 30-day period of congressional review as  
286 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
287 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
288 Columbia Register.