

Debt Collector Harassment

FOX25 Special Report

Updated: Friday, 08 May 2009, 1:43 PM EDT

Published : Thursday, 07 May 2009, 8:15 PM EDT

(myfoxboston) - Job loss, medical issues, and getting over-extended are just some of the reasons why people get stuck in debt. With the economy in crisis, defaults are at an all-time high. Creditors do have a right to the money they are owed. But some of the tactics collection agencies are using can only be described as outrageous.

With her son, Randy, serving a second tour in Iraq, Diane Stadelbauer has enough to worry about.

He was just obnoxious, very sarcastic, Stadelbauer says of the repeated calls from debt collectors, trying to hunt the army soldier down. What kind of a welcome home is this? Your threatening to have legal action waiting for him when he steps back in the country?

Diane says she and her husband received at least 10 calls, even though Randy hasn't lived with them in more than a decade.

They say the collection agency also phoned Randy's sister and even his ex-girlfriend, demanding \$7,000 from a 1999 car loan.

It was truly egregious, she said.

And to make matters worse, Randy's Rhode Island-based lawyer, John Longo, says the loan in question was settled years ago.

I think the bank did not record the debt properly and when they sold a bunch of old debts to a debt collection agency this debt was included in it, says Longo.

If this sounds bad, it's only the beginning. The Federal Trade Commission reports 80,000 complaints about debt collectors last year, more than any other industry. With the economy still reeling and defaults rising, that number is only expected to go up.

They are using these strong arm tactics to basically flaunt the law, Arlington attorney Yvonne Rosmarin says.

Rosmarin represents a local man who owes a credit company. On a voicemail, you can hear a collector make an offensive remark before hanging up the phone.

They called him a double epithet referring to the fact that he is gay and using the f-word, Rosmarin says.

The truth is, even if you owe money, you have rights. The 1977 Fair Debt Collection Practices

Act spells out clearly what debt collectors can and cannot do, and consumers are also protected by state laws.

They can not call your place of work if you ask them not to, Massachusetts Attorney General Martha Coakley says.

She says debt collection is the 4th biggest complaint to the state consumer hotline. These are some of the important things consumers should know:

- bill collectors must be licensed in the state they are collecting
- they have to send a written notice of what's owed if requested
- they can't curse or make threats
- call before 8am or after 9pm
- creditors are not allowed share your private information with others

I don't want anyone else to deal with this harassment, Stadelbauer says.

Since she's hired an attorney, the harassing phone calls have stopped.

Randy is due back from Iraq at the end of this month. After six months fighting in a war zone, he will now be forced to fight a collection agency over money his family says, he doesn't owe.