

## CBS 2

### Consumer Affairs May Regulate Debt Collectors



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The Department of Consumer Affairs is looking to regulate collectors who buy debt from loan and credit card companies at a discounted prices, then use lawyers to sue debtors.

Phone calls late at night and non-stop letters in the mail were just the beginning of Melvin Billings problems with a debt collector.

"I didn't have money to pay them, all I had was social security and they froze my bank account," Billings said.

James Yeargin experienced the same sort of harrassment from debt collectors when his wife became ill and he was unable to pay medical bills. "I would receive calls at all hours of the night. They say 'We're gonna get you. You're gonna lose your job. You'll never eat lunch in this town again'," he said.

This leads to a confusing situation for thousands who are being sued by a company they never heard of and that may not even be licensed, for money they didn't know they owed.

"Someone needs to punish these debt buyers, needs to regulate it. In the city it has to be the Department of Consumer Affairs," said Harvey Epstein of the Urban Justice Center.

To combat the growing confusion and problems, a bill is being proposed to give the Department of Consumer Affairs the power to license and supervise debt collectors.

"We want to bring this into the city's regulatory scheme so we can get a picture, so we can make sure the people that are pursuing New Yorkers are registered and the Department of Consumer Affairs has some leverage over them," said Councilman Daniel Garodnick of District 4.

The next step will be for the Committee on Consumer Affairs to vote on the bill. If they pass it, the City Council will then vote on it.