

## HR 5434

Stop Debt Collection Abuse Act of 2016

**Congress:** 114 (2015–2017, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Jun 9, 2016

**Current Status:** Referred to the House Committee on Financial Services.

**Latest Action:** Referred to the House Committee on Financial Services. (Jun 9, 2016)

**Official Text:** <https://www.congress.gov/bill/114th-congress/house-bill/5434>

### Sponsor

**Name:** Rep. Love, Mia B. [R-UT-4]

**Party:** Republican • **State:** UT • **Chamber:** House

### Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Cleaver, Emanuel [D-MO-5]	D · MO		Jun 9, 2016
Rep. Ellison, Keith [D-MN-5]	D · MN		Jun 9, 2016
Rep. Hill, J. French [R-AR-2]	R · AR		Jun 9, 2016

### Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Jun 9, 2016

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

### Related Bills

Bill	Relationship	Last Action
114 S 2255	Related bill	Nov 5, 2015: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

## Stop Debt Collection Abuse Act of 2016

This bill amends the Fair Debt Collection Practices Act to redefine: (1) "debt" to include any obligation or alleged obligation of a consumer to pay a loan, an overpayment, a fine, penalty, a fee, or other money owed currently or originally to a federal agency and that is at least 180 days past due; and (2) "debt collector" to include any person who regularly collects debts currently or originally owed or allegedly owed to a federal agency.

A federal agency that is a creditor may sell or transfer a debt to a debt collector beginning 90 days after the obligation or alleged obligation becomes delinquent or defaults.

The Act is further amended by making the collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) an unfair practice unless:

- the amount is expressly authorized by the agreement creating the debt or permitted by law (as under current law); and
- in the case of a debt owed a federal agency as specified in this bill, the collection charge is reasonable in relation to actual collection costs, is authorized by a contract between the debt collector and the federal agency, and does not exceed 10% of the amount the debt collector collects.

The Government Accountability Office shall study the use of debt collectors by federal, state, and local government agencies.

## Actions Timeline

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- **Jun 9, 2016:** Introduced in House
- **Jun 9, 2016:** Referred to the House Committee on Financial Services.