

September 18, 2019

Director Kathleen Kraninger
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Re: Comment on Debt Collection Practices (Regulation F); Docket No. CFPB-2019-0022

Dear Director Kraninger:

The undersigned Military and Veteran Service Organizations (MSO/VSOs) write to express our view of the Consumer Financial Protection Bureau's (CFPB) proposed amendments to Regulation F, which implements the Fair Debt Collection Practices Act (FDCPA).

Service members and veterans are more likely to file complaints about debt collectors than civilians. Forty percent of the complaints filed by service members with the CFPB are about debt collection, while debt collection is the third most common source of complaints to the Federal Trade Commission (FTC) from service members, their dependents, military retirees, and veterans.

Confusion surrounding military families' and veterans' medical benefits can lead to unexpected medical debt. Historically, TRICARE has had problems making on-time payments to private medical providers. With the new Veterans Affairs (VA) Community Care Program, which allows veterans to receive medical care from private, non-VA health care providers, we expect this problem will only get worse. In 2015, thirteen percent of service member and veteran complaints to the CFPB about debt collection focused on medical debt.

Debt collectors can also put service members' careers at risk. In 2018, the Department of Defense (DoD) announced a policy of "Continuous Evaluation" (CE) of security clearance eligibility, which entails real-time tracking of the credit reports of security clearance holders.¹ This can and does result in service members being involuntarily separated from the military because their personal debt could pose a security risk. Some debt collectors even use the threat of loss of a service member's security clearance eligibility to leverage payments. Debt collectors have been known to contact a service member's commander to coerce payment, threaten punishment under the Uniform Code of Military Justice, and pressure family members to pay a service member's debt while they are deployed.

The harm also extends to the DoD's costs and military readiness. The DoD has determined: "Each separation of a service member is estimated to cost the Department \$58,250, and the Department

¹ WARNO: New security clearance guidelines make it more important than ever for servicemembers to monitor their credit, Anthony Camilli-Joshua Friedman - <https://www.consumerfinance.gov/about-us/blog/warno-new-security-clearance-guidelines-make-it-more-important-ever-servicemembers-monitor-their-credit/>; (last accessed September 3, 2019)

estimates that each year approximately 4,640 to 7,580 service members are involuntarily separated where financial distress is a contributing factor.”²

The CFPB’s proposal would:

- Allow debt collectors to make up to seven attempted calls *per debt per week*, either to the consumer or to friends and family to ask for the consumer’s contact information. This means veterans who receive private medical care that results in, for instance, eight different debts that are sold to third parties for collection, or for student veterans who graduate with eight different unconsolidated student loans, they could be getting up to 56 calls *per week*. That number is patently unreasonable. Recommendation: Third party debt collectors should be limited to no more than three phone calls *per consumer per week*.
- Allow unlimited texts, emails, and direct messages without consent. Recommendation: Texts, emails, and direct messages should be limited to, cumulatively, *three per consumer per week*.
- Finally, the rule allows third party debt collectors to use hyperlinks to inform debtors of their rights regarding debt collection. This is problematic because the federal government, specifically the DoD and the FTC, have spent years warning security clearance holders and consumers, respectively, of the security risks clicking on hyperlinks can have. For example, DoD disables all links in Outlook or other email clients on DoD networks for security purposes.³ Additionally, the FTC has warned consumers about the risks to data privacy that can result from clicking on suspicious links in emails and texts.⁴ Further, the Court of Appeals for the 7th Circuit recently decided that this does not comply with the requirements of the FDCPA.⁵ Recommendation: Debt collectors should be required to inform consumers of their rights on paper, in writing. In 2019, there is no substitute for good data security practices.

² 80 FR 43559 (July 22, 2015)

³ Department of Defense Chief Information Officer, DoD Cybersecurity Discipline Implementation Plan October 2015 (Amended February 2016), <https://dodcio.defense.gov/Portals/0/Documents/Cyber/CyberDis-ImpPlan.pdf> (last visited September 5, 2019)

⁴ Federal Trade Commission, *How to Recognize and Avoid Phishing Scams*, <https://www.consumer.ftc.gov/articles/how-recognize-and-avoid-phishing-scams> (last visited September 5, 2019)

⁵ *Lavallee v. Med-Solutions, LLC*, 932 F.3d 1049 (7th Cir. 2019)

Thank you for the opportunity to present our views on this important subject, one which affects tens of millions of Americans and, disproportionately, the service members, veterans, family members and survivors we represent.

Very respectfully,

Army Aviation Association of America (AAAA)
Air Force Sergeants Association (AFSA)
Commissioned Officers Association of the U.S. Public Health Service (COAUSPHS)
Fleet Reserve Association (FRA)
Ivy League Veterans Council (ILVC)
Jewish War Veterans (JWV)
Military Chaplains Association (MCA)
Military Officers Association of America (MOAA)
National Military Family Association (NMFA)
Non Commissioned Officers Association (NCOA)
Reserve Officers Association (ROA)
Service Women's Action Network (SWAN)
Student Veterans of America (SVA)
Swords to Plowshares (STP)
Tragedy Assistance Program for Survivors (TAPS)
TREA: The Enlisted Association (TREA)
United States Army Warrant Officers Association (USAWOA)
US Coast Guard Chief Petty Officers Association (USCGCPOA)
VetsFirst
Veterans Education Success (VES)
Vietnam Veterans of America (VVA)