



Regulated Industries Complaints Office

235 S. Beretania Street, Ninth Floor

Honolulu, Hawaii 96813

cca.hawaii.gov/rico

COLLECTION AGENCIES

Have you heard from a collection agency? Here is some information you should be aware of:

Collection Agencies

All collection agencies that collect debts from any person who resides or does business in this state must be registered with the Department of Commerce and Consumer Affairs (DCCA) and must comply with the state's law and rules. Collection agencies are those which collect debts for others for compensation, as well as those which collect their own debts, but create the impression that a third party collector is involved, those which regularly repossess merchandise for others, and those which regularly accept assignments of claims.

Who is exempt from registration?

- * Collection agencies licensed in other states are exempt from registration, although they must apply to DCCA for the exemption and are subject to portions of the state's collection agency law.
- * Licensed real estate brokers and salespersons residing in this State and licensed attorneys, when acting within the scope of their profession.
- * Certain financial institutions and escrow companies.
- * Individuals employed as credit persons for a single employer which is not a collection agency.
- * Any public officer or any person acting under an order of court.

Please note that even if a person or company is exempt from state registration, other laws such as the federal Fair Debt Collection Practices Act (FDCPA) or the state's Collection Practices Act (Chapter 480D) may apply.

How and When May a Collection Agency contact you?

The first time a collection agency contacts you, it must clearly indicate that it is attempting to collect a debt and that any information obtained will be used for purposes of collection. It must also clearly disclose the name and full business address of the business or person that you owe money to, and the amount of the debt. You must also be informed of your rights to dispute the information. **NEVER IGNORE A LETTER FROM A COLLECTION AGENCY.**

What if you don't owe the debt or are not sure if the debt is valid? If you don't owe the debt or are unsure if the debt is valid, write a letter to the collection agency within 30 days to dispute the debt or to request more information about the debt, and send the letter by certified mail. Upon receipt of your letter, the collection agency must stop collection attempts until it provides you with verification of the debt.

Can you stop a Collection Agency from contacting you?

A collection agency should not call you between 9:00 p.m. and 8:00 a.m. If you send a written statement requesting a collection agency to stop, it cannot continue to call or write to you to demand payment.

May a Collection Agency contact any other person concerning your debt?

If you have an attorney, a collection agency cannot contact anyone other than your attorney. If you do not have an attorney, the agency can contact other people only to find out where you live or work. The agency cannot tell these people that you owe money.

Registered collection agencies cannot:

- * Collect any debt through threats or coercion, including threats of arrest.
- * Oppress, harass, or abuse any person, including the use of profane or obscene language.
- * Unreasonably disclose information about a debt, such as disclosing the debt to any employer or family member.
- * Use any fraudulent, deceptive, or misleading information or means to collect a debt or obtain information about you.
- * Use unfair or unconscionable means to collect a debt such as collecting or attempting to collect any of the collection agency's fees or charges for services rendered.
- * Threaten to add charges that aren't legal, for example, an interest rate higher than the rate in the original contract.

Helpful Hints

1. Get all payment agreements in writing signed by you and the collection agency. Pay as agreed. Keep copies of all letters and notices you send to a collection agency. Send important communications by certified mail or other method to verify that the agency received the letter. Keep a record of the dates and times of all telephone discussions with the agency. Get a receipt for all payments.
2. The laws on collection of student loans, child support, bad check enforcement, and taxes may limit some of the rights in this brochure.
3. The debt collection laws do not protect you from paying the debts that you owe. You are legally responsible for the payment of these debts.

Please note that a violation of the state's collection agency law is also a violation of the state's consumer protection law (Section 480-2). As such, you may be able to take legal action on your own behalf for a violation of the collection agency law. Contact a private attorney for more information.

The State's collection agency law, HRS Chapter 443B, is available at most public libraries or on the Internet at cca.hawaii.gov/hawaii-revised-statutes. Information about the FDCPA and other debt-related issues is available online through the Federal Trade Commission (FTC) at www.consumer.ftc.gov.

BEFORE YOU SIGN, GO ON LINE RESOURCES

The Department of Commerce and Consumer Affairs (DCCA), and its Regulated Industries Complaints Office (RICO), offer tools, tips and services you can use to check out an individual or business. Information is available by calling **(808) 587-4272** or online at cca.hawaii.gov/rico/business_online/.

For information about filing a complaint or to report unlicensed activity, call RICO's Consumer Resource Center at **(808) 587-4272** or visit us online at cca.hawaii.gov/rico/.

To call Oahu-RICO, dial the following toll free numbers: Kauai 274-3141, extension 74272; Maui 984-2400, extension 74272; Big Island 974-4000, extension 74272; Molokai and Lanai 1-800-468-4644, extension 74272, followed by the # sign.

RICO is the enforcement arm for over forty-five professional boards, commissions, and programs that are administratively attached to the Department of Commerce and Consumer Affairs. RICO receives complaints, conducts investigations, and prosecutes licensing law violations. RICO also prosecutes unlicensed activity through the issuance of citations and by filing civil lawsuits in the Circuit Courts. RICO works to resolve consumer complaints where appropriate and provides consumer education about various issues relating to licensing and consumer protection. RICO also administers the State Certified Arbitration Program (SCAP) for "lemon" motor vehicle claims.

The DCCA and its RICO offer the following tools, tips, and services you can use to check out an individual or business:

Professional and Vocational license search: Search for information about professionals licensed by DCCA, including activity desks and travel agencies.

RICO complaint history search: Search Regulated Industries Complaints Office complaints information for information about complaints filed against licensees and for information about unlicensed activity investigations.

Office of Consumer Protection complaint history search: Search Office of Consumer Protection information for complaints about unfair and deceptive trade practices.

Business Registration name search: Search for information about businesses registered with the Business Registration Division. Look at: 1) when the business was established, 2) the names of the people involved in the business, and 3) any previous names of the business. Names gathered from this search can be used to search for licensing and complaints history information.

Go to: cca.hawaii.gov/rico/business_online/ Checking out a licensee or business on these sites isn't a guarantee, but it's a good step to take that can help you to determine if the licensee or business is qualified to handle your particular job. It's also one of several steps you can take to protect yourself against unscrupulous or unqualified people.

This brochure is for informational purposes only and not intended for the purposes of providing legal advice. Information provided is subject to change. Printed material can be made available for individuals with special needs in Braille, large print or audio tape. Submit requests to the RICO Complaints and Enforcement Officer at 586-2666.