Consumer and Worker Protection

Frequently Asked Questions:
New Rules for Debt Collectors

On Wednesday, January 29, 2025, the Department of Consumer and Worker Protection ("DCWP" or "Department") published the final Rules relating to debt collectors in *The City Record*.[1] The Amended Rules take effect October 1, 2025.

These FAQs provide general information and guidance. All information in this educational publication represents DCWP's informal views.[2] FAQs and responses are not legal advice. For debt collectors with specific questions, please email DCWP's Business Compliance Counsel at bcc@dcwp.nyc.gov.

I. REGULATORY SCOPE

1. **When do the new Amended Rules take effect?**
   The Amended Rules take effect on October 1, 2025. The Amended Rules apply to:
   - collection activities on or after October 1, 2025;
   - all debt accounts regardless of when the account was charged off or when debt collection began.

   Note: Verification requirements in Rule 5-77 (f)(7) & (8) *do not* apply to debt accounts purchased before October 1, 2025.

Examples:

a. *On November 1, 2025, a third-party debt collector receives the first dispute from an NYC consumer on an account where debt collection procedures began in 2024.*
In this example, the debt collector received the dispute after October 1, 2025 and must comply with the new Rules regarding verification.

b. *On November 1, 2025, a debt buyer receives the first dispute from an NYC consumer on debt purchased by the debt buyer in 2022.*
In this example, the debt buyer or owner of the debt has the option to verify it according to the requirements that were in existence in 2022, since debt buyers who purchased accounts prior to the effective date have an exception for the new heightened verification requirements. However, the Amended Rules apply to all other collection activities on or after October 1, 2025, even on accounts purchased before October 1, 2025.

c. *On September 30, 2025, a debt collector contacts an NYC consumer by phone to discuss an alleged debt. The collector is unsure which Rule to follow regarding the required validation letter.*
In this example, if the debt collector sends the validation letter before October 1, 2025, it may follow either the old or the new Rule and would not need to send an updated validation letter after October 1.

[1] Adopted Rules amend Title 6 of The Rules of the City of New York (6 RCNY). See 6 RCNY, Chapter 2, Subchapter S, and 6 RCNY, Chapter 5, Subchapter A, Part 6.
[2] DCWP will update FAQs as appropriate. Please note the date at the bottom of FAQs and check nyc.gov/dcwp to make sure you have the most current FAQs.

2. **Are creditors collecting on their own debts from New York City consumers still covered by the Consumer Protection Laws and its Rules, as amended?**
   Yes. Creditors collecting or attempting to collect in their name debts owed or asserted to be owed to them are still covered under the New York City Administrative Code and the Rules of the City of New York, including the Consumer Protection Laws ("CPL") and the Amended Rules.

   The Department has become aware of stakeholder confusion regarding whether the revised definition of "debt collector" continues to apply to those creditors collecting on their debts.

   To ensure that coverage under the Amended Rules is clear, the Department proposed an amendment on this narrow issue only to clarify that the term "debt collector" continues to apply to creditors collecting on their debts in their name. The proposed amendment was published in *The City Record* on Tuesday, November 12, 2024.

3. **Are debt collectors collecting on behalf of a governmental entity, such as the State or City of New York, covered by NYC's Rules?**
   Yes. If a third party is contracted by a governmental agency to collect on debt owed or asserted to be owed to the government, they are covered by and must comply with the Amended Rules—just as they are covered under the Fair Debt Collection Practices Act ("FDCPA"). The only exemption is if a member of the governmental entity itself is engaging in debt collection, then the governmental entity is exempt—same as FDCPA. Please note that taxes are not considered "debt."

II. COMPLIANCE RECORDS

1. **Are certain oral communications with consumers excluded from the record retention requirements?**
   No. Under Amended Rule 2-193, debt collection agencies that must be licensed are obligated to maintain incoming *and* outgoing oral communications with NYC consumers, including those by a contracted third party on behalf of the collector. This includes any oral communications a consumer initiates with the licensed debt collector.

2. **Do debt collectors have to submit records to DCWP on a certain date?**
   No. Under the Amended Rules, debt collectors must:
   - maintain records of collection activities on their debt accounts for NYC consumers;
   - retain records for certain periods; and
   - produce records to DCWP upon request within the period provided by DCWP.

3. **Are debt collectors required to maintain a monthly log in the form provided on DCWP's website?**
   No. After the Amended Rules' effective date, under Amended Rule 2-193(b), licensed debt collectors must only maintain *one* of the following with NYC consumers for three years, provided such information is easily identifiable and ascertainable:
   - a monthly log; OR
   - account notes; OR
   - a record sufficient to identify such information.

   The log, available on DCWP's website at nyc.gov/dcwp, is provided as a courtesy to debt collectors who wish to utilize the format to ensure compliance.

4. **Is the requirement that licensed debt collection agencies maintain records for all collection calls made to consumers a new obligation?**
   No. Under section 2-193(b) of the rules currently in effect, debt collection agencies that must be licensed have an existing obligation to maintain, for six years from the date the record was created, "*a monthly log of all calls made to consumers, listing the date, time, and duration of each call, the number called, and the name of the person reached during the call".* This is *not* a new requirement, but an existing requirement. However, under the Amended Rules, while a log is recommended, it will no longer be required. The Amended Rules do not waive the prior recordkeeping requirements.

   For example, in November 2024, licensees must maintain such a monthly log of all calls made to consumers, retain it for six years up to November 2030, and produce a copy of the "November 2024 Monthly Log" to the Department upon request. Beginning on October 1, 2025, debt collection agencies that are required to have a license need not maintain such a log of their activities for the month of October 2025 and going forward, but do need to comply with the Amended Rules' broader record keeping requirements for the month of October 2025 and going forward.

   Note: In the Supplement to the Application for a Debt Collection Agency License, applicants are (and have been) required to provide the Department the total number of communications made by the applicant to New York City consumers. This, too, is not a new requirement.

5. **What does a "contemporaneous summary in plain language" mean in the licensing record-keeping requirements on the total number of communications?**
   Under Amended Rule 2-193(a)(6), the term means a clear description summarizing the communication or attempted communication, written within a reasonably proximate time from when the communication occurred. Under this section, "contemporaneous" means "close in time to" (not simultaneous to) the occurrence, and there is no requirement that communications be transcribed in real-time.

   Note: There is no contemporaneous summary obligation for debt collectors under Amended Rule 5-77(k).

6. **Are licensed debt collection agencies obligated to track failed contact attempts when attempting to reach a consumer, such as a busy signal or wrong number under the retention requirements of the Amended Rules?**
   No. Failed contacts, such as those where no message could be left or an email bounced back, are excluded in the frequency communications caps, and are also excluded from the record-retention requirements.

7. **Is there a "safe harbor" available for the Report of Consumer Activity to keep track of consumer complaints and disputes?**
   Yes, under Amended Rules 2-193(b)(1) and 5-77(k), debt collectors have the option to use a form and format designated by the Commissioner on the Department's website, and if a debt collector utilizes this form and includes all of the required information, they will be in compliance with the requirements of these two Rules.

8. **What does a "complaint" mean in the Report of Consumer Activity?**
   A "complaint" as referenced in the Amended Rules is a submission or communication by a consumer that expresses dissatisfaction regarding the debt collection activity generally, or suspicion of wrongful conduct when collecting or attempting to collect the debt. The consumer may identify, but they need not, such submission/communication as a "complaint". The requirements of the 2020 revisions to the rules regarding limited English proficiency apply here,

meaning that a debt collector must track all complaints received in the language(s) that the collector uses to collect debt from consumers.

9. **Do debt collectors need to retain a copy of the Unverified Debt Notice sent to the consumer**?
   Yes. Debt collection agencies that are required to have a license have an existing obligation to maintain all communications with consumers, including retaining a copy of this notice. Under Amended Rule 5-77(k), all debt collectors must maintain records that are evidence of compliance with NYC Laws and Rules.

III. COLLECTION COMMUNICATIONS: MINI-MIRANDA WARNING

1. **Must debt collectors give the mini-Miranda warning when consumers call them?**
   Yes. Under Amended Rule 5-77(d)(20), debt collectors must clearly alert NYC consumers at the outset of all oral communications that oral communications may be recorded, and the collector may use any information from such communication to collect on the debt.

   This requirement applies regardless of whether the consumer or the debt collector initiated the call.

IV. COLLECTION COMMUNICATIONS: DEBT VALIDATION

1. **Do debt collectors need to use a model validation letter?**
   No. Debt collectors are not required to use a model validation letter when collecting debt from NYC consumers. Under Amended Rule 5-77(f), debt collectors must mail the specific required content and disclosures to NYC consumers within five days of reaching them (known as the "5-day Notice"), but the specific template or model of this correspondence is not prescribed.

   Note: Under Amended Rule 5-77(f)(2), a debt collector must deliver the 5-day Notice by U.S. mail or delivery service. If a debt collector only delivers such notice electronically or orally, it does not alone satisfy this requirement.

2. **Do debt collectors need to include the medical debt disclosure in all validation letters regardless of the debt being collected?**
   Yes. Under the Amended Rules, debt collectors must let NYC consumers know that medical debt information cannot be reported to a consumer reporting agency. The medical debt disclosure must be in all 5-day Notices in addition to other required information and disclosures.

3. **Do debt collectors need to include the time-barred disclosure in all validation letters?**
   No. Under Amended Rule 5-77(i), debt collectors are required to include the time-barred disclosure only when they are collecting from NYC consumers with expired debt. The time-barred disclosure lets consumers know they may no longer be sued beyond the time allowed by the Statute of Limitations.

   Note:
   - Debt collectors may combine the content of the City's time-barred disclosure with the disclosure required by the State.
   - As of the effective date of the Amended Rules, section 5-77(i) replaces the disclosure requirements for time-barred debt in section 2-191, which is repealed in its entirety.

4. **Do debt collectors need to include the language access services disclosure in all validation notices sent to NYC consumers?**
   Yes. Debt collectors must include language access services disclosures, even if they do *not* provide any language access services. See Rules 2-193, 5-76, and 5-77.

   Language access services are also known as Limited English Proficiency or "LEP" services.

5. **If a debt collector does not offer language services beyond English, should its disclosure on LEP state this?**
   Yes, such disclosure should appear in the 5-day Notice and on the debt collector's website.

6. **Are debt collectors required to provide collection communications in the consumer's preferred language?**
   Not necessarily. Debt collectors must provide additional communications in the preferred language only if the debt collector chooses to offer such services and sends the 5-day Notice in such language.

7. **Is a debt collector required to mail an additional validation notice on an account as of the effective date of the Amended Rules if the collector had already sent one to the consumer before the effective date?**
   No, the Amended Rules only apply prospectively. If a debt collector already sent out a 5-day Notice that is compliant with the local law in New York City at the time it was mailed to the consumer, the collector need not resend such notice after the effective date.

8. **Is there an "end date" for the Validation Period?**
   Yes. Under Amended Rule 5-77(f)(4), the "Validation Period" runs for 30 consecutive days after it is assumed the consumer received the 5-day Notice (5 business days after the debt collector sent it by mail). The date of the end of the validation period is generally 30 days plus five, excluding Saturdays, Sundays, and legal public holidays.

   This same 35-day period applies to the restriction on overshadowing as well.

9. **Do debt collectors need to use a model itemization**?
   No. The Amended Rules *do not* require an itemization or breakdown of the debt in a specific format. However, debt collectors must continue to comply with formats required by state or federal law.

   Debt collectors may also combine the content of the City's itemization with the line items or itemization required by state or federal law.

V. COLLECTION COMMUNICATIONS: FREQUENCY LIMITS

1. **How frequently can debt collectors contact NYC consumers to collect debt?**
   Under Amended Rule 5-77(b)(1), debt collectors can reach out to a consumer a maximum of three times during a seven-day period. *The current rules impose a frequency cap of two communications within a seven-day period.* The Amended Rules allow one additional opportunity for debt collectors to communicate with NYC consumers per seven-day period. Additionally, the communications cap *does not* include any response from the consumer, or outreach from the consumer to the debt collector.

2. **If a debt collector has already contacted a consumer three times within the 7-day period, and the consumer reaches out to the debt collector, may the debt collector respond without violating the frequency cap rule?**
   Yes. The Amended Rule explicitly exempts communications initiated by or at the request of a consumer, or in response to a consumer (as well as exempting bounced emails and disconnected number call attempts).

3. **Are litigation communications included in the frequency caps?**
   No. Communications made under the rules of civil procedure or ordered by the court system are *not included* in the frequency caps. However, traditional collection activities, such as sending a collection letter, placing a call, or using other means to contact the consumer to collect on debt, do count toward the frequency caps.

4. **What date should debt collectors use when calculating the frequency of contacts per consumer for written communications?**
   The date the debt collector placed or posted the letter in the mail, or the date the debt collector sent the electronic communication to the consumer, should be used to calculate the number of communication contacts during a seven-day period.

VI. COLLECTION COMMUNICATIONS: PLACE OF EMPLOYMENT

1. **What are the new obligations for debt collectors contacting NYC consumers at their place of employment to collect a debt?**
   Under Amended Rule 5-77(b)(6), if a debt collector "knows or should know" that the contact information for a consumer is *provided by an employer* (e.g., a workplace email address or office phone number), the debt collector must take reasonable steps to obtain consent from the consumer to contact them there. Consent may include the consumer indicating that the work email or telephone number is their preferred method of contact.

   For example, if a debt collector contacts a consumer at a previously disclosed phone number identified as a work number, at an obvious workplace email address (e.g., jdoe@burgerking.com, or psmith@nypd.gov), or through the main telephone line of an employer listed as such, this would be sufficient to demonstrate that the collector "knows" or "should know" that the communication is at the consumer's place of employment. However, if a debt collector calls a consumer's cell phone during a weekday, and the consumer's employer provided the phone or phone line, there is no affirmative obligation on the debt collector to have known this. Similarly, if a domain name in an email address is *not* obviously a work email address (e.g., athomas@msnbc.com), there is no expectation that the debt collector know that this is a work address.

   However, once the consumer notifies the debt collector that they are working and this phone was provided by their employer for their work, or that the email address is a work address, at that

point, the debt collector must obtain consent to continue to contact the consumer at that number or email address in order to comply.

2. **Are debt collectors prohibited from calling NYC consumers while the consumers are working, or contacting them at their home office?**
   Yes, *but only if* the debt collector knew or should have known that they were working.

   When contacting NYC consumers to collect debt, debt collectors are not expected to "know" if a consumer is working, where the consumer works (from home or an office) or which phone numbers pertain to work cells versus personal cells. *But*, if and when it is disclosed or made clear that a contact is an employer-provided contact, then, debt collectors do have affirmative obligations to obtain consent from the consumer to use that direct number or email address at a place of employment. For example, if a consumer informs the debt collector that they called the consumer on their work phone, the collector must take immediate steps to obtain the required consent.

VII. DISPUTED DEBT AND VERIFICATION PROCESS

1. **Can a debt collector continue collection activities on an account after a consumer disputes the debt?**
   No. After it receives the first dispute or request for verification from a consumer, a debt collector must pause collection activities for 45 days *or* until it provides verification within 45 days to the consumer to show that the debt is owed and is accurate.

   Note: NYC consumers may contest, dispute, or request verification for all or part of the debt verbally and/or in writing.

2. **What if a consumer disputes a debt before the Amended Rules take effect?**
   The Amended Rules apply only to disputes *received* by the debt collector *on or after* October 1, 2025.

3. **Does the verification exception for accounts purchased before the effective date also apply to the Unverified Debt Notice?**
   Yes. The Amended Rules exempt those debt buyers who purchased accounts before the effective date from the new heightened verification requirements. This exception also extends to Unverified Debt Notices, in that a debt collector need not provide an unverified debt notice on accounts that qualify for the verification exception. However, in all other aspects, the Amended Rules continue to apply to all debt collection activity after the effective date, even as to conduct collecting on accounts purchased before that time.

4. **Does a debt collector have to accept debt disputes from consumers online?**
   It depends: There is no requirement that debt collectors accept disputes via an online portal or via email. *However,* the debt collector must accept such disputes using the same method the debt collector chooses to collect debt. For instance, if the debt collector collects debt online or through email, it must accept disputes online or via email. The Department is not proscribing the format with which a debt collector chooses to collect the debt, but only requiring that the debt collector receive disputes in the same manner.

5. **If a debt collector receives a dispute or request for verification from a consumer, is a collector in compliance with the Amended Rules if it just closes the account?**
   No, the debt collector has verification obligations on the disputed debt in New York City, notwithstanding its closing of the account. If the collector cannot verify the debt, it must issue an unverified debt notice, even if it does close the account.

6. **After verifying a debt, if a consumer questions the itemization, does the debt collector need to give an expanded itemization of the debt?**
   Yes. Under Amended Rule 5-77(f)(12), debt collectors must provide an additional breakdown if the consumer challenges or questions the accuracy of any of the line items included in the initial itemization.

7. **What if a debt collector does not provide verification within 45 days of receiving a dispute?**
   Debt collectors are prohibited from collecting on a debt unless and until verification is provided to the consumer within 45 days of receiving the consumer's dispute. If the debt collector is unable to provide timely verification within that period, it must provide the consumer with a Notice of Unverified Debt that complies with Rule 5-77(f)(8), and that debt collector cannot continue to collect on the debt.

8. **Does the Department have a template for an Unverified Debt Notice?**
   The Department will provide a template form and make it available on its website before the effective date of the Amended Rules. Debt collectors may opt to use the template form, but are not required to use it.

VIII. COLLECTION OF MEDICAL DEBT

1. **What are debt collectors' new obligations when collecting medical debt?**
   Debt collectors must include the medical debt disclosure in all validation notices regardless of whether they are collecting on medical debt.

   Additionally, debt collectors must:
   - treat multiple debts from a single hospitalization or discrete course of treatment as related. As a result, if a consumer disputes one of those debts, the debt collector must treat all related debt as disputed; and
   - make sure they are following federal, state, and local law regarding hospital financial assistance plan availability, as well as a creditor hospital's financial assistance policy, if applicable, *before* proceeding with any collection activity on a disputed medical debt.

   Note: If a debt collector has any reason to believe that the debt should have been eligible for financial assistance, debt collectors must alert consumers by mailing them a written notification that is clear and conspicuous and disclosing any relevant information in their possession.

   If a third-party debt collector was contracted to collect medical debt by a financial institution, the debt collector need not immediately have all underlying original account documentation that would be retained by the medical service provider. *However*, whenever a consumer raises a dispute or request for verification, the specific obligations provided by 5-77(f)(11) must be adhered to by the debt collector, which may require additional steps to be taken by the debt collector.

IX. CREDIT REPORTING

1. **If a debt collector does not regularly furnish any information on consumer debt to consumer reporting agencies, must the debt collector provide the credit reporting disclosure on the 5-day Notice?**
   No. Under Amended Rule 5-77(e)(10), if the debt collector is unsure whether it will be reporting information about the debt to a Consumer Reporting Agency ("CRA"), the debt collector *is not required to include the language in the 5-Day Notice.* Further, if the collector never reports information to the CRAs, it must not represent otherwise. The debt collector must simply ensure that it provides adequate notice to the consumer in advance of reporting the debt to any CRA.

X. LIABILITY

1. **Are debt collectors liable when their employees violate NYC Laws and Rules?**
   Yes. Debt collectors who collect debt from NYC consumers are liable when their employees violate NYC Laws and Rules. Employers must ensure employees comply with all applicable debt collection licensing and consumer protection laws and rules.

2. **Are debt collectors responsible for violations of NYC Laws and Rules by third parties to whom they outsource collection activities, such as call centers and mail distribution centers?**
   Yes. Debt collectors are liable when their contractors or agents violate NYC Laws and Rules. A debt collector is responsible for all debt collection activities on its debt accounts or accounts that the debt collector has a right to collect.

XI. QUESTIONS AND COMPLAINTS

1. **Where can I get more information?**
   Visit nyc.gov/dcwp to access the new Rules and resources for debt collectors. Go to Businesses tab > Go to Important Information for Certain Business Types and select Debt Collection Agencies.

   On the webpage FAQs: New Rules for Debt Collectors, you can:
   - Watch November 7, 2024 webinar on New Rules for Debt Collectors
   - Read the Final Rule
   - Download Recordkeeping forms and templates for:
     - Debt Collection Report: Record of Consumer Activity
     - Debt Collection Agency: Language Services Report

   If you have a question about the laws that DCWP enforces, you can contact DCWP's Business Compliance Counsel by email at BCC@dcwp.nyc.gov.

2. **How can someone submit a complaint about violations of the new Rules once they take effect?**
   You can submit a complaint to DCWP in one of the following ways:
   - Contact 311
   - Visit nyc.gov/dcwp