Consumer and Worker Protection

Frequently Asked Questions:
New Rule for Debt Collectors

On February 26, 2026, the Department of Consumer and Worker Protection (DCWP) published the final amendments to its rules relating to debt collectors in *The City Record*.[1] Called the Stopping Harassment and Intimidation and Ensuring Lawful Debt Collection Rule (SHIELD Rule), the amendments will take effect on January 1, 2027.[2]

These FAQ are for educational purposes only and offer general information and guidance. They are not legal advice.[3] For debt collectors with specific questions, please email DCWP's Business Compliance Counsel at BCC@dcwp.nyc.gov.

LEGAL CITATIONS AND ACRONYMS

- Citations beginning "section 5" or "section 2" mean Title 6 of The Rules of the City of New York (6 RCNY) and, where appropriate, the SHIELD Rule specifically.
- Citations with "NYC Admin. Code" mean NYC Administrative Code.
- Citations with "NYCRR" mean New York Codes, Rules, and Regulations.
- "FCBA" means Fair Credit Billing Act.

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[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 published a Notice of Change of Effective Date in The City Record that the SHIELD Rule goes into effect on January 1, 2027, not September 1, 2026. DCWP will be proposing an amendment to the SHIELD Rule for the **sole purpose of aligning the text of the Rule with the new effective date**.
[3] DCWP will update FAQ as appropriate. Please note the date at the bottom of FAQ and monitor nyc.gov/BusinessToolbox to make sure you have the most current FAQ. On the DCWP website, you can access other educational materials as well as recordkeeping forms and templates.

I. SCOPE AND DEFINITIONS

1. What activities does the SHIELD Rule cover?

The SHIELD Rule governs all debt collection activity conducted on NYC consumer accounts, on or after January 1, 2027, when a debt collector is engaged in debt collection procedures. Generally, debt collection procedures are any attempts to collect debt after creditors stop sending routine statements or bills, have taken or threatened to take legal action* against the consumer, or have accelerated the unpaid balance of the debt or demanded the full balance due.

Important: These rules do not apply to day-to-day business transactions, billing, or customer service on accounts that are not subject to debt collection procedures.

*Where a federal or state statute or rule requires an original creditor to include specific language in a notice that could otherwise be interpreted as a threat of legal action, such notice by itself will not constitute the commencement of debt collection procedures under the SHIELD Rule.

2. Who does the SHIELD Rule cover?

The SHIELD Rule applies to all debt collectors engaged in collection activity with NYC consumers, not just debt collection agencies who may require a license to collect debt in New York City.

A “debt collector” is any person, including any natural person, organization, or a debt collection agency, who:

A. is engaged in any business the principal purpose of which is the collection of any debts;

B. regularly collects, or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due to another person, or debts owed or due or asserted to be owed or due to the person collecting or attempting to collect the debts;

C. is a buyer of debts who seeks to collect on debts either directly or indirectly or any creditor who, at any time, in collecting its own debts, uses any name other than its own that would suggest or indicate that someone other than the creditor is collecting or attempting to collect debts.

Debt collectors include all licensed debt collection agencies, third-party debt collectors, debt buyers, and debt collection attorneys or law firms that meet the definition of “Debt Collection Agency” under the NYC Administrative Code (NYC Admin. Code) section 20-489.

3. **What creditors are considered original creditors under the SHIELD Rule?**
Original creditor and originating creditor mean any person, firm, organization, or corporation that originated the debt, including by extending credit and creating the debt.

In some cases, there may be more than one creditor that originated the entire debt, with some creditors extending credit and creating debt at a later stage of the debt lifecycle but before engaging in debt collection procedures. However, where a person, firm, organization, or corporation purchases a debt, *but does not add to the debt prior to instituting debt collection procedures*, such person, firm, organization, or corporation would *not* be considered an original or originating creditor under the SHIELD Rule.

Where a requirement in the SHIELD Rule applies to an original or originating creditor, it applies to **all** original or originating creditors who contributed to creating the debt. Debt collectors should be aware that the SHIELD Rule's definition of original or originating creditor is different than the definition under federal or New York State law.

For example, section 5-77(f)(9) requires a debt collector to provide the consumer the address of the originating creditor upon request. On accounts with multiple original or originating creditors, the debt collector must provide the address of all original and originating creditors.

Note: Debt collection agencies, including those that purchase delinquent debt, must be licensed under NYC Admin. Code section 20-490 and are not considered "Originating Creditors" or "Original Creditors" under the SHIELD Rule.

4. **Are there any exceptions to the applicability of all, or part, of the SHIELD Rule?**
Yes, there are exceptions to some requirements of the SHIELD Rule related to validation and verification of debt.

Fair Credit Billing Act (FCBA)
Debt collectors that are required to comply with section 1666 of the FCBA and that provide an opportunity to dispute debt pursuant to that Act are not subject to the provisions of the SHIELD Rule related to validation and verification of debts in section 5-77(f).

Impact of Effective Date on Validation and Verification Requirements

- The requirements of section 5-77(f)(1), (2), (6), (7), and (8) apply only to accounts for which a validation notice is required to be sent on or after January 1, 2027, the effective date of the SHIELD Rule.

- The requirements of section 5-77(f)(7) and (8) do not apply to accounts that are purchased before January 1, 2027.

  For those accounts, debt collectors should apply DCWP's validation and verification rules that are in effect up to January 1, 2027.

Note: The exceptions described above are exceptions to specific sections of the SHIELD Rule related to validation and verification requirements. *They are not exceptions to the*

entire SHIELD Rule. For example, the communications limits in section 5-77(b) of the SHIELD Rule apply to all communications to collect a debt, even those on accounts exempt from certain validation or verification requirements.

II. COMMUNICATIONS: FREQUENCY LIMITS

1. **What accounts do the SHIELD Rule frequency limits cover?**
   The SHIELD Rule frequency limits apply to communications about a debt by a debt collector to an NYC consumer, regardless of whether debt collection procedures began before the effective date of the SHIELD Rule or when the account was purchased or charged off.

   The frequency limits *do not* apply to a bank's or institution's communications with a consumer about other accounts in good standing or related to other customer service or day-to-day business issues.

2. **How frequently can debt collectors contact NYC consumers to collect debt?**
   The SHIELD Rule at section 5-77(b)(1)(iii) explicitly limits communications with NYC consumers to three communications per distinct consumer account within a seven-day period across all media—excluding mailed letters—with some exceptions. For purposes of this FAQ, this limit is referred to as "3 x 7 Frequency Limit." This limit is per-account, not per-consumer.

3. **Which types of communications are covered by the 3 x 7 Frequency Limit?**
   The SHIELD Rule frequency limits apply to communications and attempted communications across all mediums of communication, except letters or written correspondence sent via mail.

   The following communications are excluded from the 3 x 7 Frequency Limit:

   - letters sent via U.S. mail or other delivery services;
   - an initial communication solely to obtain consumer consent for electronic communication;
   - responses to consumer inquiries or outreach from the consumer to the debt collector;
   - bounced email messages and calls to disconnected numbers;
   - communications required by state or federal law that are unrelated to debt collection;
   - communications made in the ordinary course of a creditor's business, unrelated to debt collection practices, even if debt collection procedures have already commenced;
   - all communications regarding litigation or ordered by the court system.

   Note: Traditional collection activities, such as placing a call to a consumer on a debt account or using other means to contact the consumer to collect on debt, even while litigation is ongoing, do count toward the frequency limit. However, communication or attempted communication related to litigation, including notices required by law to be sent prior to commencing or during the litigation, are not governed by the SHIELD Rule and do not count toward the 3 x 7 Frequency Limit.

Refer to section 5-77(b)(1)(iii)(D) for a complete list of communications that do not count toward the 3 x 7 Frequency Limit.

Example:

After mailing a consumer two collection letters, the debt collector tried to reach the NYC consumer through a text message, left a voicemail as a limited-content message, and sent an email, all in a seven-day period. Is this permitted within the frequency limits set by the SHIELD Rule?
Yes. The collection letters are excluded from the 3 x 7 Frequency Limit, so other methods of communication are permitted as long as they comply with other communication-related requirements, such as obtaining revocable consumer consent for electronic communications before sending the email to collect the debt and complying with restrictions on contacting the consumer at certain hours or after the consumer has responded to one of the communications.

III. ELECTRONIC COMMUNICATIONS

1. **Which accounts are subject to the electronic communications provisions of the SHIELD Rule?**
   The Rule applies to all NYC consumer debt collection accounts.

2. **What are some of the requirements debt collectors must follow when using electronic communications to collect debt?**
   Debt collectors engaged in debt collection procedures generally must do the following when communicating electronically:

   - Obtain direct written consent from the consumer for the specific debt account and specific medium *before* collecting or attempting to collect debt electronically.
   - Clearly and conspicuously disclose in every electronic communication that the consumer may revoke consent to receive electronic communications (*see* section 5-77(b)(5)(v)).
   - Send any disclosure electronically in a manner that provides actual notice and in a form that the consumer may keep and access later.
   - Send the consumer a hard copy of the 5-day Validation Notice required under section 5-77(f)(1) by U.S. mail or other delivery service even if the debt collector sends it electronically.

   Note: A consumer's electronic signature serves as written consent under section 5-77(b)(5) provided it complies with all other relevant laws. Original creditors collecting debts have a limited exception if they obtained prior consent for the specific medium before starting debt collection procedures, as specified in 5-77(b)(5)(i)(B), and the consumer has not revoked that consent since. A debt collector may also communicate electronically with a consumer if the consumer used an electronic medium to communicate with the debt collector about a debt within the past 60 days and the consumer has not opted out of communications to that electronic medium or electronic communications generally.

Refer to section 5-77(b)(5) for electronic communications requirements.

IV. COMMUNICATIONS: EMPLOYER

1. **Does the SHIELD Rule permit a debt collector to contact a consumer at a phone number or email address that the debt collector knows or should know is provided by the consumer's employer?**
   Generally, no. The SHIELD Rule prohibits debt collectors from emailing consumers at an address, or calling or texting a consumer at a phone number, that the debt collector knows or should know is furnished or provided by the consumer's employer.

   A narrow exception to this prohibition allows a debt collector to contact the consumer by calling a phone number provided by the consumer's employer, subject to the following conditions:

   - the consumer explicitly provides written, revocable consent to the specific debt collector;
   - the direct number is the consumer's preferred method of contact;
   - the consumer has not revoked this consent; and
   - the communication complies with all applicable laws.

   Refer to SHIELD Rule section 5-77(b)(6) for the full requirements.

   Note: Since 2015, the State of New York has prohibited the use of employer-provided email for collection communications. *See* New York Codes, Rules and Regulations (NYCRR), specifically 23 NYCRR.1 section 1.6.

V. COMMUNICATIONS IN LITIGATION

1. **How does the SHIELD Rule treat communications made by attorneys in connection with litigation?**
   Activity related to litigation to collect a debt, including communications made by attorneys related to litigation and notices required by law to be sent prior to commencing or during litigation, are not governed by the SHIELD Rule. Such communications made by attorneys do not count toward the 3 x 7 Frequency Limit and are not subject to other SHIELD Rule requirements. This includes communications made by attorneys related to active litigation regarding the underlying debt, and to legal action to enforce a judgment, including settlement conferences and in-person settlement discussions held during court appearances. But attorneys would still need to comply with any other relevant local, state, or federal law concerning language access.

   However, debt collectors remain obligated to comply with the SHIELD Rule requirements related to responding to consumer disputes or requests for verification, including by sending a Notice of Unverified Debt, regardless of whether they are engaged in litigation.

   Note: Disputes or requests from consumers contained in litigation papers or responses in a debt recovery lawsuit do not trigger SHIELD Rule dispute obligations. For example, if a consumer's written answer in the litigation questions the validity or accuracy of the debt during litigation, it is not considered a "dispute" or a "verification request" under

section 5-77(f)(6), nor does it initiate verification requirements under (f)(7). However, any dispute or verification request made outside of the lawsuit, even if the case is ongoing, would activate SHIELD Rule obligations for the debt collector, including verification requirements and process.

2. **If, prior to litigation, an attorney fails to verify a debt, what are the consequences for litigation communications?**
   Provided it is not otherwise prohibited by local, state, or federal law, attorneys are not prohibited by the SHIELD Rule to continue activity related to litigation or the enforcement of a judgment even if they failed to verify a debt prior to litigation.

   Important: Traditional debt collection activities, such as calls or letters to collect on unverified disputed debt, remain prohibited after issuing a Notice of Unverified Debt.

Examples:

If a Notice of Unverified Debt is issued for an account already reduced to a judgment, can the City Marshal still enforce that judgment?
Yes, the City Marshal is not subject to the SHIELD Rule. The debt collector that issues the Notice of Unverified Debt cannot engage in traditional debt collection activities, such as contacting the consumer to collect the disputed unverified debt. However, collection attorneys and law firms may engage in litigation and enforcement actions as part of their legal roles.

Once the consumer disputes the debt, does it suspend a Marshal's pending judgment enforcement action?
No, if this is the consumer's first dispute with the debt collector, it triggers the debt collector's verification obligations under section 5-77(f)(7). However, this dispute regarding the debt alone does not affect any ongoing legal actions, proceedings, or judgment enforcement processes, including a Marshal's action, unless a court with competent jurisdiction decides otherwise regarding the dispute's impact on the pending litigation, action, or proceeding.

If a debt collector begins litigation to recover a debt and ceases mailing collection notices and placing collection calls to the consumer, does the debt collector have to comply with the SHIELD Rule if the consumer disputes the debt after litigation begins?
Yes, a debt collector is obligated to comply with the SHIELD Rule dispute and verification obligations in sections 5-77(f)(6) and (f)(7), regardless of whether there is ongoing litigation. While activity directly related to the litigation is not subject to the SHIELD Rule requirements, those requirements continue to apply to the debt account. An NYC consumer can dispute the debt at any time, even if the debt collector is not actively engaged in traditional debt collection activity.

VI. FRONT-END DISCLOSURES: MINI-MIRANDA WARNINGS

1. **What are the SHIELD Rule mini-Miranda warnings?**
   Pursuant to SHIELD Rule section 5-77(d)(15), debt collectors must clearly and prominently inform consumers in all communications that they are attempting to collect a debt and that any information obtained will be used for that purpose. In addition, SHIELD Rule section 5-77(d)(20) requires debt collectors to clearly and prominently inform consumers that a communication is being recorded and that the recording may be used in connection with the collection of a debt.

   These required disclosures are commonly referred to as “mini-Miranda” warnings in the SHIELD Rule.

2. **Which accounts are subject to the mini-Miranda warning provisions of the SHIELD Rule?**
   SHIELD Rule requirements regarding mini-Miranda warnings apply to all NYC consumer debt collection accounts.

3. **Are debt collectors required to always provide the mini-Miranda warning when communicating with consumers about a debt, or are certain communications exempt from this requirement?**
   Yes, the mini-Miranda requirements apply to **all** communications where the debt collector conveys information about the debt, whether directly or indirectly, through any medium. This includes, but is not limited to, response letters sent to consumers about verification, debt assignment notices, and payment receipts.

4. **What are the best practices for delivering mini-Miranda warnings?**
   For written communications, the best approach is to place the entire mini-Miranda warning prominently on the front page. For instance, on the Consumer Financial Protection Bureau (CFPB) Model Validation Notice, the mini-Miranda warning appears on the front, near the address section at the top.

   If the warning does not reasonably fit on the front page, a bold, uppercase, noticeable prompt should alert consumers to their important rights on the back of the page. The mini-Miranda warning under section 5-77(d)(15) should then be clearly and prominently disclosed in the body of the letter on the reverse side, in bold, uppercase letters, separate from other disclosures. Placing the 5-77(d)(15) mini-Miranda warning alongside other disclosures on the back, outside the body of the letter, or on a separate page of the communication does not satisfy the “clear and conspicuous” requirement under the SHIELD Rule.

   In verbal communications, under section 5-77(d)(20), debt collectors must clearly and conspicuously inform NYC consumers at the start of the call that the conversation may be recorded and that any information gathered may be used for debt collection. This warning should be made before discussing the alleged debt amount, regardless of who initiated the call.

   Refer to the definitions of the terms “Clear and Conspicuous” and “Communication” in section 5-76.

VII. FRONT-END DISCLOSURES: VALIDATION NOTICE & ITEMIZATION OF THE DEBT

1. **What are the SHIELD Rule requirements regarding Validation Notices?**
   Within five days after the initial communication regarding a debt collection account, a debt collector must mail a hard copy of a notice containing required NYC content to consumers (referred to in FAQ as the "5-day Validation Notice"). This requirement applies to all NYC consumer debt accounts where debt collection procedures have been instituted, regardless of when the account was charged off or when debt collection procedures began.

   Exceptions: There are several exceptions to the SHIELD Rule 5-day Validation Notice requirement, including but not limited to the following:

   - the consumer already paid the debt;
   - the debt collector sent a 5-day Validation Notice containing the required information to the consumer before January 1, 2027; and
   - the debt collector is subject to section 1666 of the FCBA and provides an opportunity to dispute the debt pursuant to that Act.

   Example:

   On December 30, 2026, a third-party debt collector calls an NYC consumer and discusses an alleged debt. The collector is uncertain about which rule to follow concerning the required 5-day Validation Notice. **What rules apply?** If the debt collector sends the 5-day Validation Notice *before* January 1, 2027, it is required to comply with the rules on validation notices as they existed before the January 1, 2027 effective date of the SHIELD Rule. Also, it does not need to send a revised notice after the effective date. A debt collector can choose to include additional information in the 5-day Validation Notice consistent with the SHIELD Rule, as nothing in the rules as they existed before January 1, 2027 would prohibit providing a consumer additional information.

   If the debt collector sends the 5-day Validation Notice *on or after* January 1, 2027, the notice must comply with the SHIELD Rule, even if the first communication occurred before January 1, 2027.

   Note: Under section 5-77(f)(2), a debt collector must deliver the 5-day Validation Notice by U.S. mail or a delivery service. Delivering the notice only electronically or orally does not, in itself, satisfy this requirement. The debt collector may also deliver a copy of the 5-day Validation Notice by other means, including email with the consumer's consent, in addition to U.S. mail or a delivery service.

2. **What specific content is needed, and how should it be incorporated into the 5-day Validation Notice?**
   The following general categories must be clearly and conspicuously disclosed to consumers:

   - All disclosures required by federal and state law
   - DCWP license number (if applicable)
   - Telephone number and the name of the person for the consumer to call back
   - NYC rights pertaining to disputes, verification, medical debt, and language access services available
   - Date of the 5-day Validation Notice
   - Itemization of the debt, which requires that the debt collector provide a basis for any additional fees or interest *added by the debt collector*
   - Notice of time-barred debt, if applicable

   Note: Debt collectors are not required to use a model validation notice or to provide an itemization of the debt in a specific format. However, debt collectors must continue to comply with any format required by state or federal law. Debt collectors may also combine the SHIELD Rule itemization requirements with the line items or itemization required by state or federal law. A consumer can dispute any item listed in the debt itemization included with the 5-day Validation Notice. A dispute triggers section 5-77(f)(11) *Expanded itemization of the debt* requirements and section 5-77(f)(7) *Verification of debt* requirements.

3. **What does "clear and conspicuous" mean in the context of the 5-day Validation Notice?**
   In the context of the 5-day Validation Notice, "clear and conspicuous" disclosures must either appear on the first page of the notice or on the reverse side if a prominent, bold prompt appears on the front page alerting the consumer to the disclosures on the reverse side.

4. **What are the SHIELD Rule requirements related to call-back names?**
   Pursuant to SHIELD Rule sections 5-77(f)(1)(ii) and (iii), a debt collector must include the name and telephone number of the natural person for the consumer to call back in the 5-day Validation Notice. This person must be able to address the consumer's questions about the 5-day Validation Notice and account during the debt collector's regular business hours.

   Note: The same requirement already applies more broadly to all licensed debt collection agencies, which must include the contact person's name in *all* oral and written communications, as specified in NYC Admin. Code section 20-493.1(a)(iv).

5. **Can a debt collector use an assumed name for the natural person assigned to the consumer's account?**
   Yes, a debt collector may use an assumed name for the natural person assigned to the consumer's account. However, a specific person must actually be assigned to the account. If a debt collector uses assumed names rather than real names, it must keep records to demonstrate that each assumed name used is traceable to an actual person.

6. **What should a debt collector do if a consumer calls and the assigned call-back person is not available?**
   If the assigned call-back person is not available at the time of a consumer call, the debt collector may transfer the call to a designated representative who can answer the consumer's questions about the 5-day Validation Notice or account. In such cases, the debt collector must document the reason the call-back person was unavailable and that the designated representative spoke to the consumer.

7. **Does a debt collector meet the requirement in the SHIELD Rule to provide the call-back name in 5-day Validation Notices if it includes the same name or a handful of names across all accounts?**
   Likely, it does not. Although a debt collector might have a specialized NYC team to handle consumer calls, any identified individual who serves as the call-back person should be able to answer questions about the 5-day Validation Notice or the account during the debt collector's local live operation collection hours in the United States. This excludes, for example, a 24-hour automated payment system or a live chat system.

8. **What original creditor must debt collectors disclose in the 5-day Validation Notice if a single account includes multiple creditors?**
   Section 5-77(f) of the SHIELD Rule does not explicitly require the inclusion of the name of original or originating creditors in the 5-day Validation Notice.

   However, all debt collectors must comply with state and federal laws, which require debt collectors to include the name of the original creditor (as those terms are defined in the laws) in the 5-day Validation Notice.

   In addition, NYC Admin. Code section 20-493.1(a)(iii) has long required debt collection agencies to include the name of the originating creditor in all permitted communications, including the 5-day Validation Notice. Since there may be multiple creditors that fit the SHIELD Rule definition of "originating creditor," licensed debt collection agencies must include the names of **all** originating creditors in communications, including the 5-day Validation Notice.

   Important: If a performing debt is transferred from one original creditor to another, the SHIELD Rule that applies to originating creditors also applies to the new creditor(s) if the debt was acquired before debt collection procedures began and the new creditor adds to the debt. To avoid consumer confusion, a debt collector can use terms other than "original" or "originating" creditor, such as "additional creditor," to classify these creditors in the 5-day Validation Notice or other communications.

   Refer to SHIELD Rule section 5-77(f) for the full requirements for the 5-day Validation Notice and itemization of the debt.

VIII. DISPUTED DEBT, VERIFICATION PROCESS, AND EXPANDED ITEMIZATION

1. **What triggers the dispute and verification process under the SHIELD Rule?**
   NYC consumers can dispute or request verification of the debt *at any time*. They can do so verbally or using any method that the debt collector uses to collect the debt.

2. **What accounts do the SHIELD Rule verification requirements cover?**
   The SHIELD Rule verification requirements apply to all consumer disputes and verification requests for accounts where the 5-Day Validation Notice must be sent on or after January 1, 2027, except for accounts purchased before January 1, 2027.

   Since debt collectors subject to the FCBA that provide an opportunity to dispute debt pursuant to that Act are not required to send the 5-Day Validation Notice, they are also not required to comply with the verification requirements of the SHIELD Rule.

   Examples:

   On February 1, 2027, a debt collector receives the first dispute from an NYC consumer about a debt account for which the 5-day Validation Notice was mailed in November 2026. Does the SHIELD Rule apply when handling this dispute?
   No. The debt buyer must verify the debt based on NYC debt laws and rules regarding verification as they existed before the new SHIELD Rule. However, any other debt collection activity on the account after January 1, 2027, the effective date, is governed by the SHIELD Rule.

   On January 15, 2027, a debt buyer is informed by the consumer that they would like verification of a debt that the debt buyer purchased in 2025. Does the SHIELD Rule apply when handling this request?
   No. The debt buyer must verify the debt based on NYC debt laws and rules regarding verification as they existed before the new SHIELD Rule. For a debt buyer, this means following 6 RCNY section 2-190, which outlines the documentation needed for verification. This “date-of-purchase” exception applies only to a debt buyer’s verification obligations under the SHIELD Rule. As of January 1, 2027, all other requirements of the SHIELD Rule apply regardless of when the debt buyer purchased the debt. For instance, if the debt is beyond the statute of limitations, the SHIELD Rule's disclosure requirements would still apply.

3. **Can a debt collector continue collection activities on an account after a consumer disputes or requests verification of the debt?**
   No, a debt collector must cease collection activity until the consumer receives the written verification information in compliance with section 5-77(f)(7). A debt collector may assume that a consumer received the verification information five business days after the debt collector sent it. Once a debt collector receives the first dispute or request for verification from a consumer, a debt collector must provide the consumer with written verification of the debt within 60 days to show that the debt is owed and accurate. However, debt collectors do not need to wait for the full 60-day grace period to respond to the consumer’s dispute or request for verification.

Note: Under the SHIELD Rule section 5-77(f)(6), NYC consumers may contest, dispute, or request verification of all or part of the debt, verbally and/or in writing, at any time during the period when the debt collector owns or has the right to collect the debt. With the exception of disputes contained in litigation papers or responses, a dispute includes a consumer's initial complaint received by the debt collector from any source that challenges the debt's validity, asserts that the consumer does not owe the debt, or disputes the accuracy of part or all of the debt.

Example:

On March 1, 2027, a debt collector receives an NYC consumer complaint from DCWP indicating that the consumer is unaware of the debt. Although the debt collector had sent a 5-day Validation Notice two months earlier, it had not received any direct communication from the consumer. Does the complaint forwarded by DCWP trigger the dispute and verification process? Yes, it does. If a debt collector learns that the consumer questions the debt's validity or accuracy, or claims not to owe the amount due—even if these concerns are not explicitly stated—the debt collector cannot assume the debt is valid. Instead, it must verify the disputed debt within 60 days of receiving the complaint on March 1 before continuing collection efforts, provided the consumer hasn't previously disputed the debt and already received verification.

4. **What documentation is required to verify the debt?**
Debt collectors must provide original account-level documentation to verify a debt, including but not limited to the following items:

    - A copy of the original written confirmation evidencing the transaction resulting in the debt, such as:

        - A signed contract or application that created the debt or, if unavailable, a copy of a document provided to the consumer while the account was active, demonstrating the debt was incurred.

            Note: This requirement applies to the first transaction that results in the debt and does not require that every transaction (e.g., interest, refinancing) on an account be verified with original documentation.

        - For a revolving credit account, the charge-off account statement or the most recent monthly statement recording a purchase, transaction, payment, or balance transfer will suffice.

    - Records about any prior settlement agreement, if applicable.

    - A final account statement, charge-off statement, or other document reflecting the total outstanding balance, mailed to the consumer prior to charge-off.

    Note: While verification requires documentation, debt collectors are not required to provide original account-level documentation for each transaction on an account.

However, if a consumer disputes any amount added to the total principal in the front-end itemization in the 5-day Validation Notice, the debt collector must provide, pursuant to section 5-77(f)(11), a detailed breakdown of each individual charge in addition to the principal balance, interest, and other charges on the account in an expanded itemization. See FAQ 7 in this section.

5. **What are the consequences for failure to provide verification within 60 days of receiving a dispute or request for verification of the debt?**
Debt collectors must send a Notice of Unverified Debt if they cannot verify a disputed debt within 60 days of receiving the dispute or request for verification from an NYC consumer.

   Failure to verify the debt is a violation of the SHIELD Rule. Additionally, failure to send a Notice of Unverified Debt when required is a separate violation of the SHIELD Rule.

   In addition:

   - Original creditors may not resume collection unless and until they send the written verification of debt to the consumer.
   Note: This applies to all original and originating creditors.

   - Debt collectors other than original creditors are required to send consumers a Notice of Unverified Debt and must cease debt collection efforts.
   Note: This requirement does not apply to debt that was purchased before January 1, 2027.

   - Section 5-77(e)(13) also requires debt collectors selling, transferring, or returning a debt to the debt's owner or creditor, or placing for collection with an attorney or law firm, to transfer a copy of the Notice of Unverified Debt to the recipient.

   Note: DCWP offers a template for the Notice of Unverified Debt that is available in multiple languages at nyc.gov/dcwp. See FAQ 1 in XV. Compliance Information, Resources, and Templates. Debt collectors may opt to use the template form but are not required to do so.

6. **Does a debt collector remain compliant with the SHIELD Rule if it merely closes an account after receiving a dispute or verification request from a consumer?**
No, the debt collector still has verification obligations regarding the disputed debt in New York City, even after the account is closed. If the collector cannot verify the debt, it must issue a Notice of Unverified Debt pursuant to section 5-77(f)(8), even if it stops collection and closes the account. Failure to send the Notice of Unverified Debt is a violation of the SHIELD Rule.

7. **After receiving debt verification, if a consumer questions the itemization contained in the 5-day Validation Notice, does the debt collector need to give an expanded itemization of the debt?**
Yes. Under SHIELD Rule 5-77(f)(11), if the consumer challenges or questions the accuracy of any amount added to the total principal as itemized in the 5-day Validation Notice, debt collectors must provide a detailed breakdown of each individual charge

itemized and whether such amount was added to the debt based on the consumer's agreement with the creditor or as otherwise allowed by law. Importantly, this requirement to provide an expanded itemization of the debt is not a requirement to provide original documentation related to each charge in the expanded itemization.

Note: If the debt collector has not provided the consumer verification of the debt at the time the consumer disputes the itemization contained in the 5-day Validation Notice, the debt collector must treat the dispute as a request for verification. In such instances, the debt collector must provide both verification of the debt AND the expanded itemization of the debt.

8. **What is the difference between the front-end itemization requirements in the 5-day Validation Notice and the expanded itemization of the debt?**
The front-end itemization requirement in section 5-77(f)(1)(viii) for the 5-day Validation Notice mandates that the debt collector provide all the items required under federal or New York State law, including the total amount claimed to be owed as of the itemization reference date. Additionally, the SHIELD Rule requires that the debt collector provide the amount added during pre-charge off, if available, and a breakdown for any additional fees or interest, if any, added by the debt collector. Unless there were fees added pre-charge off or by the debt collector, **this front-end itemization required in the SHIELD Rule is essentially the same as the itemization required by the federal and state regulations.**

   The expanded itemization requirement in section 5-77(f)(11) applies ***only if the consumer disputes*** any item in the front-end itemization included in the 5-day Validation Notice. In contrast to the front-end itemization, the expanded itemization must include a detailed breakdown of all charges added to the principal balance, including amounts added before debt collection procedures began. In addition to the obligation to provide an expanded itemization, the consumer's dispute of the front-end itemization also activates the verification obligations under section 5-77(f)(7), to the extent that such verification materials have not already been provided to the consumer.

   Note: By proactively sending a 5-77(f)(11) complaint-expanded itemization at any time after the front-end itemization, debt collectors satisfy the expanded itemization requirement up front, even if the consumer has not disputed the front-end itemization. For example, if a collector opts to send an expanded itemization on day 60 in response to a verification request, and the consumer also disputes an item in the front-end validation on day 60, the debt collector has already complied and does not have to stop collecting a second time.

9. **What happens if a debt collector fails to provide the address of the originating creditor of a debt to the consumer within the required period?**
Under section 5-77(f)(9), debt collectors are required to provide the address of the originating creditor of the debt within 30 days of receiving a request from a consumer. Debt collectors must cease collection on the debt until they provide the address to the consumer. Failure to provide the requested information to the consumer is a violation of the SHIELD Rule. Note that there is no requirement to issue a Notice of Unverified Debt where the debt collector fails to provide this information within the required period.

IX. COLLECTION OF MEDICAL DEBT

1. **What are debt collectors' new obligations when collecting medical debt?**
   Debt collectors must notify NYC consumers that medical debt cannot be reported to a consumer reporting agency. This medical debt disclosure must be clearly included in all 5-day Validation Notices, along with other required information and disclosures pursuant to section 5-77(f)(1). Debt collectors must include the medical debt disclosure regardless of whether they are collecting medical debt.

   Note: Medical debt does not include debt charged to a credit card unless the credit card is issued under an open-ended or closed-end plan offered specifically for the payment of health care services, products, or devices provided to a person.

   Additionally, debt collectors must:

   - Treat any indication from the consumer that another source, such as insurance or a financial assistance policy, should have covered some or all charges as a first dispute and a request for verification from the consumer under section 5-77(f)(10), triggering the verification process to the extent that such verification has not already been provided to the consumer. AND

   - 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 within a three-month period as disputed, unless the consumer notifies the debt collector that they do not dispute the related account or acknowledges owing the amount. 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 debt collectors have any reason to believe that consumers may be eligible for financial assistance pertaining to a medical debt, they must alert consumers by mailing them a clear and conspicuous written notice disclosing any relevant information in their possession.

   All SHIELD Rule sections apply to the collection of medical debt; however, refer to sections 5-77(f)(1), (10), and 5-77(j) for the complete requirements.

X. CREDIT REPORTING RELATED TO DEBT COLLECTION ACTIVITY

1. **Are debt collectors required to inform consumers before furnishing collection information to consumer reporting agencies?**
   Yes, debt collectors are required to send a notice to consumers informing them that negative collection information about the debt will be reported to a consumer reporting agency. This notice to an NYC consumer is to be sent in at least one medium of communication used to collect the debt, and a written copy is to be sent via U.S. mail or other delivery service.

   Note: Debt collectors are to wait 14 consecutive days after sending a notice to consumers before furnishing any collection information to consumer reporting agencies. However, this does not apply to debt collectors that are required to comply with section 623(a)(7) of the Fair Credit Reporting Act and those collectors who furnish information to nationwide specialty credit reporting agencies. This provision also does not apply when providing information to credit bureaus before starting debt collection efforts.

   Refer to SHIELD Rule section 5-77(e)(10) for the requirements of this provision.

XI. COLLECTION OF TIME-BARRED DEBT

1. **What are the SHIELD Rule's new requirements for collection of time-barred debt?**
   Under new section 5-77(i), debt collectors must comply with several new obligations, including but not limited to the following:

   - Debt collectors must maintain reasonable procedures for determining the statute of limitations applicable to a debt that the debt collector is collecting and whether the limitation period has expired.

   - For time-barred debt, debt collectors are required to send a Notice of Time-Barred Debt, via U.S. mail or other delivery service, to NYC consumers before contacting them about the debt. *See* section 5-77(i)(2).

   - Debt collectors must wait at least 14 consecutive days after mailing the Notice of Time-Barred Debt to the consumer before contacting the consumer to collect on the time-barred debt.

     Note: Unless permitted by law, debt collectors are not permitted to contact NYC consumers for time-barred debt exclusively by telephone or other means of oral or electronic communication without the prior written and revocable consent of the consumer given directly to the debt collector.

   - Debt collectors have to give a time-barred debt disclosure in any oral communication with the consumer and all other permitted communication on a time-barred debt.

   Note: If a debt collector fails to comply with the time-barred debt requirements under sections 5-77(i)(2), (3), and (4), the debt collector is prohibited from entering into a

settlement agreement or receiving payment on a time-barred debt from an NYC consumer.

2. **If a debt is time-barred, does the debt collector need to include the time-barred disclosure in the 5-day Validation Notice?**
   Yes. Under SHIELD Rule section 5-77(f)(1)(ix), debt collectors must clearly include the time-barred debt disclosure in the 5-day Validation Notice when collecting on debt after the statute of limitations has expired. However, if the statute of limitations expires after the 5-day Validation Notice is sent, the debt collector is not required to send a new 5-day Validation Notice. Instead, the debt collector is required to send a Notice of Time-Barred Debt.

   Note:

   - Debt collectors may combine the content of the City's time-barred disclosure with the disclosure required by the State.
   - As of January 1, 2027, the effective date of the SHIELD Rule, section 5-77(i) replaces the disclosure requirements for time-barred debt in section 2-191, which was repealed in its entirety.

3. **In what language does the debt collector have to provide the initial and subsequent time-barred debt disclosures?**
   Pursuant to SHIELD Rule section 5-77(i), the initial time-barred debt disclosure notice must be provided to the consumer in English and any other language used by the debt collector to communicate with the consumer. In any permissible subsequent oral communications with the consumer, the debt collector must provide the time-barred debt disclosures to the consumer in the language the consumer understands before proceeding with any collection discussion. Any subsequent time-barred debt disclosures required to be mailed or delivered electronically by the debt collector may be in the language used by the debt collector to communicate with the consumer.

XII. LANGUAGE ACCESS SERVICES FOR DEBT COLLECTION ACTIVITIES

1. **What are the requirements pertaining to language access services for debt collection activities?**
   Debt collectors are required to inform consumers about language access services in the 5-day Validation Notice pursuant to section 5-77(f)(1).

   In addition, pursuant to section 5-77(h), any debt collector that utilizes, maintains, or refers NYC consumers to a publicly accessible website in connection with the collection of a debt must display disclosures titled "NYC Rules on Language Services and Rights" on the homepage of the website or on a page directly accessible from a hyperlink on the homepage.

   All debt collectors must also provide a link to a glossary of debt terms in the 5-Day Validation Notice and on their website. Available at nyc.gov/dcwp, the glossary is in 11 languages.

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

2. **If debt collectors offer language access services for incoming calls, does that alone activate the other LEP obligations in the SHIELD Rule?**
   No, providing consumers with language access services for incoming calls would not, in itself, trigger the requirements for language access services in section 5-77(f)(3) under the SHIELD Rule.

   Example:

   On January 1, 2027, a consumer with limited English proficiency contacts the debt collector for the first time, and the debt collector uses a language access service in a language other than English. What are the consequences under the SHIELD Rule?
   Using a language access service for this consumer does not impose additional requirements, such as providing written communication in that language, unless the debt collector has already issued or subsequently issues a 5-day Validation Notice in that language. However, all language access services—including those provided during inbound calls initiated by the consumer—must be communicated accurately in the relevant language in accordance with section 5-77(d)(18). Furthermore, consumers' language preference must be recorded in their accounts as required by section 5-77(d)(19). Both provisions existed prior to the SHIELD Rule.

3. **Does the SHIELD Rule require any new operational changes related to language access to the debt collector's website?**
   No. The website disclosures mandated by section 5-77(h) remain unchanged under the SHIELD Rule. Debt collectors are only required to provide the website statements in English; there is no regulatory obligation under the existing NYC LEP or SHIELD Rules to translate the public website disclosures into any other language.

4. **Are debt collectors required to conduct 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 non-English services;
   - a consumer requests a notice in a non-English language; and
   - the debt collector sends the consumer a 5-day Validation Notice in that non-English language.

   This obligation may also arise if the debt collector initiates communication about a debt with the consumer in a non-English language, in which case the debt collector must provide a Validation Notice within 5 days of the first contact by the debt collector in that language.

Note: If the debt collector sends the 5-day Validation Notice to NYC consumers in a language other than English, it must also accept and respond to all other communication by the consumer in the same language as the 5-day Validation Notice, unless the consumer requests to communicate in another language offered by the debt collector.

Refer to SHIELD Rule section 5-77(f)(3) for the full requirements of notices sent in languages other than English.

XIII. COMPLIANCE RECORDS AND TRANSFER OF INFORMATION

Debt Collectors

1. **Do debt collectors need to retain a copy of the Notice of Unverified Debt sent to the consumer**?
   Yes. Under SHIELD Rule section 5-77(k), all debt collectors must maintain records that are evidence of compliance with NYC Laws and Rules.

2. **Are there specific types of records that debt collectors are required to maintain under the SHIELD Rule?**
   Yes. SHIELD Rule section 5-77(k)(2) requires debt collectors to retain monthly logs or records of:

   - all complaints filed by consumers against the debt collector and sent to the debt collector, including complaints filed with DCWP or any not-for-profit entity or governmental agency;
   - all disputes or requests for verification of the debt made by consumers; and
   - all requests to cease further communication made by consumers.

   These records should identify:

   - the complaint or request date;
   - consumer's name and account information;
   - the source of the complaint or request;
   - a summary of the complaint or request; and
   - the date and type of response, if any, sent by the debt collector.

   Important: If a consumer does not offer their name during communication, despite reasonable efforts by the debt collector to obtain it, it can be recorded as "unknown" in any recordkeeping system.

   Note: To comply with this requirement, debt collectors may combine all the monthly logs or records into one document or use the DCWP template "Report for Consumer Activity" available at nyc.gov/dcwp.

3. **Is there certain information that debt collectors are required to transfer along with the consumer debt account?**
   Yes. When selling, transferring, returning to the debt's owner or creditor, or placing for collection or with an attorney or law firm to recover any debt, the SHIELD Rule requires debt collectors, as applicable, to include certain information, such as the following:

   - Under SHIELD Rule sections 5-77(e)(13) and 5-77(f)(8), the debt collector is required to include a clear and conspicuous notice to the recipient of the debt that the debt was not verified despite receiving a dispute or request for verification from the consumer. The debt collector is also required to include a copy of the Notice of Unverified Debt sent to the consumer pursuant to section 5-77(f)(8).

   - Under SHIELD Rule sections 5-77(e)(12) and 5-77(i), for any debt where the debt collector knows or should know that the time to sue on the debt has expired, the debt collector is required to include a clear and conspicuous notice to the recipient of the debt that the statute of limitations on the debt has expired and that federal law prohibits suing on the time-barred debt.

Debt Collection Agencies

1. **Are certain oral communications with consumers excluded from the record retention requirements?**
   No. Under SHIELD Rule section 2-193, debt collection agencies that must be licensed are obligated to maintain a record of 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. Debt collection agencies are also required to maintain other records pursuant to section 2-193.

2. **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?**
   No. Failed contacts, such as those where no message could be left or an email bounced back, are excluded from the frequency communications caps and are also excluded from the record retention requirements.

3. **Are licensed debt collection agencies required to maintain all policies under section 2-193(c) even if they do not collect on all the categories of debt?**
   No. Pursuant to section 2-193(c) of the SHIELD Rule, debt collection agencies must maintain records of policies and materials that relate to their operations and practices and are not required to have policies on categories of debt they do not collect.

XIV. LIABILITY OF DEBT ACCOUNTS

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.

XV. COMPLIANCE INFORMATION, RESOURCES, AND TEMPLATES

1. **Where can I get more information?**
   Visit nyc.gov/NYCRules for the Final SHIELD Rule.

   Visit nyc.gov/BusinessToolbox to access recordkeeping forms and templates. Click the section Debt Collector for:

   - Report for Consumer Activity
   - Notice of Unverified Debt (Original Creditor, Not Original Creditor)
   - Debt Collection Agency Language Services Report

   If you have a question about the laws that DCWP enforces, you can email DCWP's Business Compliance Counsel 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