

H.R. 5021, Ending Debt Collection Harassment Act of 2019

As ordered reported by the House Committee on Financial Services on November 14, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Cannot Determine Costs
* = between zero and \$500,000.			

H.R. 5021 would require the Consumer Financial Protection Bureau (CFPB), as part of its semi-annual report to the Congress, to analyze consumer complaints received by the bureau concerning debt collection and to compile a list of enforcement actions taken against debt collectors in the preceding year. As part of its annual report to the Congress on its activities to administer the Fair Debt Collection Practices Act (FDCPA), H.R. 5021 would require the CFPB to analyze the impact of electronic communications by debt collectors on consumers. The bill would prohibit debt collectors from contacting a consumer electronically without their consent, after their consent has been withdrawn, or more frequently than they consent to be contacted; any such contact would constitute harassment under the FDCPA.

Under the bill, any rules issued by the CFPB to regulate debt collection would not permit debt collectors to send unlimited electronic communications to consumers, would require debt collectors to obtain consent from consumers before contacting them electronically, and would have to allow consumers to opt out of any communication method the debt collector uses.

Federal Cost

CBO assumes that the legislation would be enacted in fiscal year 2020. The Federal Trade Commission (FTC) is primarily responsible for enforcing violations of the FDCPA. Using information from the FTC, CBO estimates that enforcing the new violations under the law



would cost less than \$500,000 over the 2020-2025 period; any spending would be subject to the availability of appropriated funds.

The CFPB is authorized to implement the FDCPA through regulation and may enforce certain provisions of the FDCPA. Using information from the CFPB, CBO estimates that the bureau would spend less than \$500,000 over the 2020-2030 period to implement the bill's requirements. CBO expects that the CFPB would need one employee at a cost of \$220,000 over one year to amend debt collection regulations. The CFPB has permanent authority, not subject to annual appropriation, to spend amounts transferred from the Federal Reserve.

Mandates

H.R. 5021 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) by prohibiting debt collectors from contacting consumers electronically without the consumer's consent or after a consumer revokes consent previously given, or from contacting consumers more frequently than they have permitted. The cost of the mandates would be the commission revenue lost by collectors who would have succeeded, absent the prohibitions in the bill, in receiving payments on delinquent debts. According to published information, debt collection is an \$11 billion industry in the United States. However, because CBO cannot anticipate the number of consumers who would consent to electronic communication with a debt collector or the level of collections that could be directly attributed to electronic communications, CBO cannot determine whether the cost of the mandates would exceed the private-sector threshold established in UMRA (\$168 million in 2020, adjusted annually for inflation).

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.