

Appendix F

The proposals under consideration would require validation notices to contain enhanced and clarified information about the debt and the consumer's rights, along with an action-item "tear-off" to facilitate the exercise of dispute and original-creditor-information rights. The requirements under consideration are described below.

- Information about the debt on the validation notice. The Bureau is considering a proposal to require that validation notices contain the following information:
 - the consumer's full name and address;
 - the debt collector's name and address;¹
 - a description of the debt type (*e.g.*, "credit card");
 - the merchant brand associated with the debt (*e.g.*, the name of the retailer that appears on a branded card), if applicable;
 - the name of the creditor at the time of default (the "default creditor");²
 - the account number with the default creditor;
 - the amount owed on the default date;³
 - the creditor to which the debt is currently owed;
 - an itemization of interest, fees, payments, and credits since the default date; and
 - the amount owed currently.
- Information about consumer rights on the validation notice. Section 809(a) expressly requires that the validation notice state that (1) the debt collector will assume the debt is valid unless the consumer disputes it (or a portion of it) within 30 days of receiving the notice; (2) if the consumer timely disputes the debt (or a portion of it), the debt collector will obtain and mail verification or a copy of a judgment to the consumer; and (3) the consumer may request and receive the name and address of the original creditor, if different from the current creditor. The Bureau is considering a proposal to require that validation notices contain the following additional statements:
 - A statement describing the effect of submitting either an oral dispute or any dispute outside of the 30-day period—*i.e.*, that before the debt collector may continue making collection communications it must confirm that it has a reasonable basis for its claims of

¹ The proposals under consideration would also permit a debt collector to include its website address.

² The proposals under consideration would permit a debt collector to omit the name of the creditor at the time of default from the validation notice as long as it discloses this information elsewhere when it provides the validation notice. The Bureau's model notice would include the name of the creditor at the time of default.

³ The default date would appear in the validation notice as a calendar date—*e.g.*, "January 1, 2016."

indebtedness;⁴

- A statement explaining the “collections pause”—*i.e.*, the requirement that a debt collector in receipt of a timely written dispute or an original-creditor-information request cease collection until it verifies the debt or provides the name and address of the original creditor, as appropriate; and
- A statement that, for additional information, the consumer should refer to the accompanying Statement of Rights and visit the Bureau’s website.
- Action-item “tear-off” on the validation notice. The Bureau is considering a proposal to require that the validation notice contain a “tear-off” with choices to facilitate the exercise of consumer rights. The tear-off would appear on the bottom of the validation notice. Once detached, it would allow consumers to dispute the debt by checking a box next to one or more pre-written statements—for example, “This is not my debt” or “The amount is wrong”—and returning it to the debt collector. Because the tear-off would contain consumers’ selection of identified types of reasons for disputes, the Bureau believes that debt collectors would experience less uncertainty about the basis for many disputes, allowing collectors to respond more efficiently to them. The tear-off would also include an option allowing consumers to request the name and address of the original creditor.

The proposals under consideration would also permit debt collectors to include an optional statement in the body of the validation notice informing consumers that they may contact the debt collector to discuss payment options, along with a check-off box within the tear-off that allows a consumer to indicate that he or she is submitting a payment.

The following page contains an example of what a model validation notice might look like.⁵

⁴ The proposals under consideration would permit a debt collector to omit such a statement from the validation notice if the collector discloses it elsewhere when providing the validation notice. The Bureau’s model notice would include such a statement.

⁵ The example model validation notice provided consumers 30 days from the date they received the example notice during a consumer testing session (*i.e.*, December 12, 2015) to dispute the debt (*i.e.*, January 11, 2016).

North South Group
P.O. Box 121212
Pasadena, CA 91111-2222
(800) 123-4567 from 8am to 8pm EST, Monday to Saturday
www.nsggrp.com

To: Ms. Mary Smith
2323 Park Street
Apartment 342
Arlington, VA 22201

December 12, 2015

Reference: 564-345

North South Group is a debt collector. We are trying to collect a debt that you owe to ABC Credit. We will use any information you give us to help collect the debt.

Our information shows:

You had a Main Street Store credit card from Bank of Rockville with account number 123-456-789. ABC Credit now owns that account, so now you owe ABC Credit.

As of January 2, 2013, you owed:		\$	1,234.56
Between January 2, 2013 and today:			
You were charged this amount in interest:	+	\$	75.00
You were charged this amount in fees:	+	\$	25.00
You paid this amount toward the debt:	-	\$	50.00
Total amount of the debt now:		\$	1,284.56

How can you dispute the debt?

- **Write to us by January 11, 2016 to dispute all or part of the debt.** We must stop collection on any amount you dispute until we send you information that shows you owe the debt. If you write AFTER January 11, we are not required to send that information to you, but we must stop collection until we confirm that our information is correct. For ease, you may use the form below or you may write to us without the form. You may also include supporting documents.
- **Call us to dispute. But if you do call, we are not required to send you information that shows you owe the debt.** We must stop collection on any amount you dispute until we confirm that our information is correct.

If we do not hear from you, we will assume that our information is correct.

What else can you do?

- **Ask us to send you the name and address of the original creditor.** Write by January 11, 2016 and we will stop collection until we send you that information. For ease, you may use the form below or you may write to us without the form.
- **Learn more about your rights under federal law.** For more information, see the enclosed *Know your debt collection rights* document or go to the Consumer Financial Protection Bureau's website at www.consumerfinance.gov.
- **Contact us about your payment options.**



Mail this form to:

North South Group
P.O. Box 121212
Pasadena, CA 91111-2222

Ms. Mary Smith
2323 Park Street
Apartment 342
Arlington, VA 22201

How do you want to respond to this notice?

Check all that apply:

- I want to dispute the debt because I think:**
 - This is not my debt.
 - The amount is wrong.
 - I already paid this debt in full or I settled it.
 - You are not the right person to pay.
 - Other or more detail: _____

I want you to send me the name and address of the original creditor.

I enclosed this amount:

\$

Make your check payable to *North South Group*.
Include the reference number 564-345.