AG’S OFFICE ISSUES EMERGENCY REGULATION TO PROTECT CONSUMERS FROM HARMFUL DEBT COLLECTION PRACTICES DURING COVID-19 EMERGENCY

BOSTON – Attorney General Maura Healey announced today that her office has filed an emergency regulation designed to protect consumers from unfair and deceptive debt collection practices during the COVID-19 crisis.

The new regulation, 940 CMR 35.00, filed with the Secretary of State’s Office and effective immediately, prohibits creditors from engaging in methods of debt collection that can require people to leave their homes or have in-person contact, including filing new lawsuits against Massachusetts consumers, visiting their homes or places of work, or repossessing their cars, among other protections. The AG’s emergency regulation also prohibits debt collection agencies and debt buyers from making unsolicited debt collection telephone calls to consumers.

This emergency regulation will remain in effect for 90 days or until the conclusion of the declared state of emergency.

“The COVID-19 crisis has caused substantial medical and financial hardship for families in Massachusetts, and we want to do everything we can to protect them from further harm,” said AG Healey. “This emergency regulation puts additional restrictions in place to prevent debt collectors and creditors from harassing our residents.”

The AG’s emergency debt collection regulation contains protections that apply to all creditors and prohibits them from deceptive practices in pursuing the payment of a debt during the COVID-19 emergency, including:

- filing any new collection lawsuit;
- garnishing wages, earnings, properties or funds;
- repossessing vehicles;
- applying for or serving a capias warrant;
- visiting or threatening to visit the household of a debtor;
• visiting or threatening to visit the place of employment of a debtor;
• confronting or communicating in person with a debtor regarding the collection of a debt in any public place.

The AG’s emergency debt collection regulation also prohibits debt collection agencies and debt buyers from making unsolicited debt collection telephone calls to Massachusetts consumers for the next 90 days, unless the state of emergency ends before that time.

The AG’s Office has prioritized taking legal action against problem debt collectors in recent years. In November 2019, Portfolio Recovery Associates LLC agreed to a $4 million settlement to pay back thousands of consumers who were subject to the company’s deceptive and unfair debt collection practices. In 2017, Lustig, Glaser & Wilson, P.C., the largest debt collection law firm in Massachusetts, paid $1 million in restitution and significantly changed their practices after the AG’s Office took action against them for widespread consumer abuses. In response to the COVID-19 emergency, AG Healey also issued an emergency regulation last week to prohibit price gouging of essential products like hand sanitizer, face masks, and gloves.

The AG’s Consumer Protection Division encourages members of the public to call 617-727-8400 or file a complaint online if you witness or experience aggressive debt collection or predatory lending during this public health emergency.

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Visit AG Healey’s COVID-19 resources page for information about how the office can assist you during this crisis.

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