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Importance of Fair Debt Collection Practices Act for the Defaulted Debtor by Safinajones

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Whenever you take a look at your surroundings, you can easily see the difference between the financial statuses of various people around you. Some of them are quite capable to take care of their needs quite comfortably while the rest do not possess such financial comfort to lead their life smoothly. Under such circumstances, these people have to depend on various loans to fulfill their dreams of improved life or better career. However among these debtors, some of them will not be able to repay their loan amount. Then their loan account will be considered as the defaulted loan account. Then the loan giving company may begin to opt for some debt collection practices to get back their unpaid loan amount.

Once their accounts get considered among the defaulted loan account, the private companies employ third party collection agencies to gather their unpaid debt amount from the defaulted debtors. These debt collection agencies will take some methods to get back the remaining debt from the defaulters. However these third party people will employ some unethical and unlawful debt collection practices to recover the bad debts from their customers. In that process, they use some unwanted measures which actually disturbs the mental peace and social establishment of these faulty debtors.

Under such circumstances, the United States government has added a statute in the Consumer Credit Protection Act to eliminate the abusive debt collection practices for the collection of consumerÂ debts. This statute will provide the comfort to the bad debtors from the illegal methods of these third party collection agencies. This act will help to protect the consumers from the uncomfortable situations and it offers some guidelines for those people who are attempting to collect the bad debts from their customers.

The Fair Debt Collection Practices Act has offered some comfort to the debtors from the debt collection agencies. It has provided some conduct which is needed to be maintained by these debt collection agencies to ensure the safety and protection for the debtors.

Here are some of the rules offered by the Fair Debt Collection Practices Act to protect the debtors from the hazardous situations:

The debt collectors need to contact the debtor in between 8 am and 9 pm local time.

No communication should be done at the debtorâ€™s workplace.

All the communication should be done through an attorney.

Threatening to the debtor will ensure of the arrest or legal action against the collection agency.

Seeking an unjustified amount ensure of the proper legal action against them.

In short, it can be seen that the Fair Debt Collection Practices Act is very helpful for the debtors to protect their rights for their defaulted accounts.

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Safina Jones is a legal advisor who has good information on a Fair Debt Collection Practices. For more information on a debt collection practices, please visit a http://www.consumerlawfirmcenter.com/

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