

1 H.596

2 Introduced by Representatives Sullivan of Dorset, Christensen of

3 Weathersfield, Hill of Wolcott, Kimbell of Woodstock, and

4 McCoy of Poultney

5 Referred to Committee on

6 Date:

7 Subject: Commerce and trade; consumer protection; debt collection

8 Statement of purpose of bill as introduced: This bill proposes to make it a
9 consumer protection violation to attempt to collect a debt from a consumer in
10 default for over six years.

11 An act relating to debt collection

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 9 V.S.A. § 2466c is added to read:

14 § 2466c. UNFAIR DEBT COLLECTION

15 (a) A person commits an unfair and deceptive act in trade and commerce in
16 violation of section 2453 of this title if he or she, through a direct or indirect
17 communication to a consumer, attempts to collect a debt incurred by the
18 consumer on a date that is six years or longer from:

19 (1) the date the consumer defaults on the debt;

1 (2) the date the consumer through a writing signed by the consumer
2 acknowledges that he or she is obligated to pay the debt in part or in full; or

3 (3) the date the consumer last makes a payment on the debt.

4 (b)(1) A person aggrieved by a violation of subsection (a) of this section
5 may bring an action in Superior Court for damages, injunctive relief, punitive
6 damages in the case of a willful violation, and reasonable costs and
7 attorney's fees.

8 (2) The court may issue an award for the person's actual damages or
9 \$500.00 for a first violation or \$1,000.00 for each subsequent violation,
10 whichever is greater.

11 (3) This section shall not limit any other claims the person may have
12 under applicable law.

13 (c) A person charged with attempting to collect a debt in violation of
14 subsection (a) of this section shall have the burden of proving that his or her
15 collection activity fell within the time period permitted under subsection (a) of
16 this section.

17 (d) The Attorney General shall adopt rules to implement the provisions of
18 this section.

19 Sec. 2. EFFECTIVE DATE

20 This act shall take effect on July 1, 2018.