

State probe into debt firm that settled with FTC for \$2.5 million

By Donna Gehrke-White, Sun Sentinel

Florida officials are investigating a debt collection agency that agreed Monday to pay a \$2.5 million civil settlement after the U.S. [Federal Trade Commission](#) alleged it made misrepresentations while trying to collect old debts.

The Florida Attorney General's Office is looking into whether Michigan-based Asset Acceptance violated the state's Deceptive and Unfair Trade Practices Act, said spokeswoman Jennifer Meale.

MaryDenyse Ommert, of the Kelley Kronenberg law firm in [West Palm Beach](#), said Florida consumers are protected from having to pay on written contracts that haven't been paid for five or more years.

That includes car loans, credit cards, mortgages, promissory notes and other written debt agreements, she said.

But consumers can be on the hook again for all the unpaid debt if they send in even \$10 to pay off a loan, Ommert said.

That's why companies call consumers asking for a small payment, she said.

"Creditors will say that to get you to pay" which then makes consumers liable for the entire debt, Ommert said.

"The five-year statute of limitations starts all over again," she added.

In Michigan, Asset Acceptance spokesman Mary Assaf said she was not aware of the Florida probe, but that her company was glad to settle the six-year long federal investigation.

Asset Acceptance does not admit guilt, but it agreed in the settlement with the FTC to tell consumers whose debt may be too old to be legally enforceable that it will not sue to collect on that debt, the spokeswoman said. The company wants to make sure it is complying with all laws, Assaf said.

Asset Acceptance also agreed to look into the accuracy of the debt when consumers say they do not owe it. The firm will not continue its collection efforts until "it has a reasonable basis" that the consumer does, indeed, owe the money, the FTC said in a written release.

"The proposed order also bars the company from placing debt on consumers' credit reports without notifying them about the negative report," according to the federal agency.

According to Florida law, a debt collector is required to send a written notice within five days after first contacting a consumer about money they are trying to collect, said Meale from the Florida Attorney General's Office. The letter also must tell consumers what action to take if they believe they do not owe the money, Meale added.

Ommert recommended that if consumers are going to deny owing debt, they should send a certified letter to the creditor or debt collection agency. "Then you have something concrete — keep a copy for your records," she said. Also send a copy of your denial to the FTC, Ommert said.

The letter should be sent within 30 days, added AG spokeswoman Meale.

"The [collection] agency may not contact you after that unless you are sent proof of the debt, such as a copy of the bill," Meale wrote in an email.

Consumers can file complaints with the state's Office of Financial Regulation at 850-487-9687 or [flofr.com](#). Contact the FTC at 877-382-4357 or [SunSentinel.com/ftccomplain](#).

dgehrke@tribune.com, 954-356-4404 or Twitter @donnagehrke