

Cease and Desist Policy

The FDCPA provides the right for consumers to notify a debt collector that the consumer refuses to pay a debt or that the consumer wishes not to receive further communication from the debt collector about that particular debt. Under the FDCPA, notification from the consumer must be in writing. Some important considerations related to this right include:

- Does your company have policies, procedures, and training in place to ensure that cease and desist requests are immediately honored? If so, is there documentation of these training procedures and when collectors receive training?
- Should your company honor verbal cease and desist notifications? While the duty to cease and desist communications under the FDCPA is triggered by receipt of a written notice, often consumers will request that communications cease verbally. Some collection agencies have begun honoring these requests to avoid claims of abusive behavior by consumers and regulators. It is important for collection agencies to assess their risk for continuing communications after a verbal cease request.
- Does your company have the technological capability to ensure that contact information is blocked for consumers and third parties who have notified the company that communications should cease? This technological capability may include software with phone flags, phone number scrubs, or other identification markers to limit contact with specific consumers.
- Should your company send a final notice acknowledging the cease notification? If so, review the limitations posed by the FDCPA when sending a post-cease communication and edit this policy to reflect your company's practice.
- Does your company have multiple lines of business where consumer lists may overlap? If so, there may need to be systems developed to ensure that a consumer who has invoked their right to cease communications on a particular debt, is informed that the collection activity by the agency or creditor may continue on the others. Alternatively, as you edit this policy, consider whether a request to cease communications on one debt should apply to all debts owed by that consumer in your inventory and the possibility of a red flag situation.

Edit this model form to meet the legal, business and compliance needs of your organization.

Disclaimer: By accessing or using this set or series of model policy and procedure forms ("Content") you represent and agree, on behalf of yourself and any organization on whose behalf you access or use the Content, to the following:

You have either purchased the Content yourself or are employed by the organization that purchased the Content and agree on behalf of yourself and your employer, Ontario Systems is not a law firm; the Content is not presented as legal advice, you may not rely on it as legal advice and you must seek the advice of independent legal counsel when adapting this Content to your operation. The Content is provided as is and not intended for any specific organization or particular purpose and must be tailored to the needs of the person or organization using the Content. By using the Contents in any way, whether or not authorized, the user assumes all risk and hereby releases Ontario Systems from any liability associated with the Content. The Content is protected by copyright and may not be copied or distributed without Ontario Systems' express, written permission.

Policy

Policy Type: Communications
Doc Title: Cease and Desist
Doc Number: **Enter doc number**
Page Count: **Enter total number of pages**

Insert
Company
Logo

1. Purpose

The purpose of this policy is to ensure [COMPANY NAME]'s timely and appropriate response to receipt of a cease and desist request or a written refusal to pay directly from a consumer or a third party in accordance with state and federal laws and regulations. For purposes of this policy, a cease and desist includes a written refusal to pay.

2. Scope

[COMPANY NAME] will honor verbal and written cease and desist requests received directly from consumers or third parties.

- This policy extends to both verbal and written cease and desist requests.
- Cease and desist requests shall cause collection activities to immediately stop.
- Written statements received from consumers indicating their refusal to pay shall also constitute a cease and desist request.
- Notice of any consumer bankruptcy filing shall cause collection activities to immediately stop.
- Cease and desist requests shall be treated as disputes for purposes of compliance with the Fair Credit Reporting Act.

3. General

Consumer is defined as any person obligated to pay any debt or allegedly obligated to pay any debt. For purposes of communicating with the consumer, the Fair Debt Collection Practices Act further defines consumer as the consumer's spouse, parent (if the consumer is a minor), guardian and executor or administrator. Cease and desist requests will therefore apply to all such individuals.

Cease and desist requests received verbally or in writing from or regarding individuals who are considered wrong parties shall none the less be honored. Such requests shall be directed immediately to the compliance department for proper investigation and handling. Once it is confirmed the requesting party is a wrong party contact, the contact information for this individual shall be blocked from receiving further communications from [COMPANY NAME] and the compliance department will place the contact information on administrative hold to prevent further collection activity.

In addition to the requirements detailed in this policy, cease and desist requests, written refusals to pay and requests for verification of the debt shall be considered disputes for purposes of compliance with [COMPANY NAME]'s credit reporting duties.

4. Procedure

Verbal - Upon learning a consumer wishes [COMPANY NAME] to stop either verbal or written collection activities with regard to an account or a number of accounts, the collector will flag the account(s) associated with this consumer as disputed and document the source of the request and the stated reason for the request in the account screen notes. The collector will also place the account on administrative hold to prevent further collection activity.

Written – If a cease and desist, written refusal to pay or verification of the debt request is received via snail mail, email or [COMPANY NAME]'s web site, the clerical department will scan the written communication and the envelope, or create a copy of the email or web site communication and store such documentation in [COMPANY NAME]'s document storage system. In addition, the clerical department will flag the account as disputed, document the source of the request on the account screen, and enter the cease and desist request in [COMPANY NAME]'s complaint management system. The clerical department will also place the account on administrative hold to prevent further collection activity.

Once such accounts are placed on administrative hold, operations will determine whether the account shall be returned to the client.

A report of all cease and desist requests shall be compiled monthly and reviewed by the compliance committee.

5. Responsibilities

Roles / Process Area	Responsibilities
IT	Click here to enter text.
Compliance	Click here to enter text.
Legal	Click here to enter text.
Operations	Click here to enter text.
	Click here to enter text.

6. References and Related Documents

Document Number (if applicable)	Title
Fair Credit Reporting Act	Click here to enter text.
Complaint Management	Click here to enter text.
Fair Debt Collection Practices Act	Click here to enter text.

7. Disciplinary and Remedial Action

In collaboration with HR, any violation of this policy will subject the employee to progressive remedial action, including immediate termination.

8. Record Retention

The human resources department shall note any confirmed violation of this policy by any employee in the employee's personnel record.

Records pertaining to this policy will be retained in the appropriate form and for the duration required under state and/or federal law, by the _____ department.

9. Review History

Date	Reviewed by	Description of Update
Enter date	Click here to enter text.	Click here to enter text.
Enter date	Click here to enter text.	Click here to enter text.
Enter date	Click here to enter text.	Click here to enter text.

10. Governance

Approving Body: Click here to enter text.	
Approval: Click here to enter text.	Date: Enter date

Sample Copy
Not for Distribution