



Jennifer Waters's Consumer Confidential



Oct. 14, 2011, 12:06 a.m. EDT

Debt collectors want your cell-phone number

Proposed legislation would allow robo-calls to your mobile phone

By [Jennifer Waters](#), MarketWatch

CHICAGO (MarketWatch) — The days of your cell phone being a communication device between just you, your family and friends may be numbered under two pieces of legislation that have consumer advocacy groups up in arms.

Tucked into President Obama's debt-reduction bill is a provision that would allow debt collectors, working on behalf of the government, to robo-call your cell phone to collect outstanding federal debts like student loans.



'Moonlighting' jobs can bring you extra cash

Taking part in a product-research focus group or becoming a mystery shopper can help you earn extra money, but watch for the scams.

- [Earn extra cash as a mystery shopper](#)

CREDIT CARDS, CREDIT SCORES AND MORE

- [The credit cards with the best travel rewards](#)
- [When using cash is better than credit](#)
- [Keep your credit scores from costing you](#)
- [Save money on gas with credit cards](#)
- [Shop with credit cards, earn bonus points](#)

MORE CONSUMER ADVICE

- [Your smartphone as wallet](#)
- [Keep your bank deposits safe](#)
- [Want to get out of jury duty? Here's how](#)
- [Eight tips for finding cheap airfares](#)
- [How to claim billions in cash waiting for you](#)
- [What car mechanics don't want you to know](#)
- [What not to say when pulled over by a cop](#)

A broader proposal, however, falls under House Bill 3035, called the Mobile Informational Call Act of 2011 and it allows all businesses — debt collectors, banks, airlines, grocers, department stores, etc. — to use the same automatic dialing technology to call your cell phone and even a number tied to a paging service for “informational calls.”

The bill, according to proponents, is an attempt to “modernize” the language put in place in 1991 that prohibited any kind of auto dialing or soliciting to cell phones. Proponents insist that it will open lines of communication on the device that some 90% of the U.S. population most often uses.


That's even more important, they contend, since nearly 30% of U.S. households don't have land lines, according to a 2010 study by the Centers for Disease Control and Prevention, and a lot of those are 25- to 29-year-olds.

Only human beings who pick up a phone and dial your number are allowed under the Telephone Consumer Protection Act to call you. Solicitations, like those common to land lines, are not allowed at all.

“The inability to make these types of calls using assistive technologies undermines the ability of consumers to receive important and timely information,” said Howard Waltzman, an attorney representing a coalition of business groups supportive of the bill.

Besides debt collectors, he cited calls from the airlines about flight delays, your local community about a power outage or your credit-card issuer about a questionable transaction as must-have communications to consumers. The U.S. Chamber of Commerce, the Financial Services

SCAM ALERTS

- [How to spot debt collection scams](#)
- [How to foil electronic pickpockets](#)
- [Watch for ATM skimming](#)
- [Tips to avoid check fraud](#) 

Roundtable, the Air Transport Association and ACA International, the Association of Credit and Collections Professionals, are among the group's members.

But consumer advocates see it opening the floodgates for debt collectors and marketers to call you any time of the day or night on your cell phone, or worse yet, on any number of phones that might be connected to your name, such as your children's or parents's cell phones. Their biggest concern is with debt collectors.

"This is a clear intent of debt collectors trying to gain broader access to consumers," said Delicia Reynolds Hand, legislative director of the National Association of Consumer Advocates.

"We're concerned about the implications of this," she added. "It seems like it's a multipronged attack to have consumers' cell phones flooded with nuisance calls."

Though the bill clarifies that the caller must have "prior express consent" from the consumer to call a cell phone, it does not define what that means when third parties are involved.

For example, if you have a relationship with a big bank and you give it your cell-phone number as a contact point, the bank can call you about any number of "informational" things, such as an overdue debt. If you haven't paid off the debt and the bank hires a collection agency to get it from you, that company has the implied consent from you because it's operating on behalf of the bank, which you gave the OK to.

But if the bank wrote off that debt — an uncomfortably common occurrence in recent years — it's likely that it also sold the debt to a collection agency for pennies on the dollar. At issue is whether that agency — no longer working on behalf of the bank — now has your "consent" to call.

Debt collectors, who are responsible for the most consumer complaints to the Federal Trade Commission, make an awful lot of calls. NCO Financial Systems, for example, had 33 dialers attempting to collect debts in 2008, according to an affidavit signed by an NCO executive and filed in the U.S. District Court for the Northern District of Illinois in late 2009. Each dialer made anywhere from 300,00 to 400,000 calls per month, which adds up to 9.9 million to 13.2 million per month, or 118.8 million to 158.4 million per year. Those were calls to land lines and cell phones.

"Even the little players have huge numbers," said Keith Keogh, a consumer-protection attorney who took the affidavit.

No one argues that people who owe debts should pay them off. It's the horror stories of dozens of calls and threats that consumer advocates fear.

"It's a misnomer to think that all of a sudden this will open up a flood of calls," said Mark Schiffman, a spokesman for the ACA. "The reality of it is all we're looking for is access that we would have on your land line."

Consumer advocates, however, argue that rogue collectors who ignore the rules of land lines now will make bigger breaches on cell phones. And though marketers still aren't allowed under the new proposal, they worry that it will only be a matter of time before they are allowed access too.

"The House bill will open the floodgates not only to collection calls, but also to solicitation calls," said Alex Burke, an attorney who also handles consumer litigation.

"I know the (collection) industry would roll their eyes on this, but people really suffer because of these phone calls," he said.

Of course, there is redress for harassing phone calls of any kind, whether they're from a collection agency or your local grocer. You can file a complaint with the FTC.

Intraday Data provided by SIX Telekurs and subject to terms of use. Historical and current end-of-day data provided by SIX Telekurs. Intraday data delayed per exchange requirements. Dow Jones Indexes (SM) from Dow Jones & Company, Inc. All quotes are in local exchange time. Real time last sale data provided by NASDAQ. More information on NASDAQ traded symbols and their current financial status. Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges. Dow Jones IndexesSM from Dow Jones & Company, Inc. SEHK intraday data is provided by SIX Telekurs and is at least 60-minutes delayed. All quotes are in local exchange time.