

Regulation F

Altus Receivables Management, Inc.
November 30, 2021

- **What is Reg F?**

This rule revises Regulation F, 12 CFR part 1006, which implements the Fair Debt Collection Practices Act (FDCPA), to prescribe Federal rules governing the activities of debt collectors. The final rule addresses, among other things, communications in connection with debt collection and prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection.

- **When does it become effective?**

November 30, 2021. The Rule applies to attempts to communicate, communications, and other conduct by debt collectors occurring on or after this date, regardless of when the debt was incurred.

What are the most relevant changes introduced by Reg. F?

□ The CFPB Reg F imposes new call limitations, i.e., the 7-7-7:

The FDCPA prohibits repeated or continuous telephone calls or telephone conversations as they may constitute harassment. Subject to certain exceptions, a debt collector is presumed to violate this prohibition if the debt collector places telephone calls to a person in connection with the collection of a particular debt more than seven times within a seven-day period or places a telephone call within seven days after engaging in a telephone conversation with the person about the particular debt (unless the debtor requests it).

Please note that the 7 in 7 limitation refers to any phone number associated with a particular debt or account and is not a per-person or per phone number limit. For example, if an account has three phone numbers associated with it, and the collector places two calls to each number, then the collector will have reached a number of six communications.

What are we doing to comply with this rule?

Altus is providing training to our collectors to ensure they are aware of this call restriction. Additionally, we are in the process of implementing the use of a technology called “Phone Dial Attempt Supervisor” (PDAS) to limit collectors’ ability to call a consumer about a debt more than seven times in a seven-day period. PDAS will allow us to automatically block outgoing calls when a collector has reached the maximum number of calls allowed. This technology will also allow us to restrict outgoing calls for seven days after the collector has a telephone conversation with the person in connection with the collection of such debt.

❑ **New Model Validation Notice**

Reg. F introduced a new Model Validation Notice that provides safe harbor when used (see model notice attached on the last page).

What is the intent of the Model Validation Notice?

- Make it easy for consumers to identify the debt and facilitate resolution
- Provide information about consumers' protections in debt collection
- Only clear and simple information about their rights as a consumer
- Provide information to facilitate consumers' ability to exercise their rights with respect to debt collection. Allows the consumer to check their records against the information provided to the collector and simplifies dispute/request process

How will the Model Validation Notice affect you?

In order to be compliant with Reg. F, we need our clients, the creditors, to provide us all the information that the Model Validation Notice requires. Most of our clients already provide us with the relevant information; however, we have identified the “**Itemization Date**” as one that requires our clients’ attention.

The Model Validation Notice must include one of the following five itemization dates, which need to be consistent throughout the collection process:

- 1) Last Statement date
- 2) Transaction date
- 3) Last payment date
- 4) Charge-off date
- 5) Judgment date

In addition, depending on which “itemization date” is chosen, clients need to provide us with any interest that has been added as of the itemization date, any payments made by the debtor as of the itemization date, or any credits applied to the account as of the itemization date (i.e. adjustments to the account).

We ask that you communicate with your Altus sales representative to confirm that we are using the correct itemization date as it applies to the type of accounts you place with us for collection. There may be instances where you will need to provide Altus with additional information (i.e. interest added, payments made, credits applied). On the next slide, we provide you with some examples to illustrate instances in which you may need to provide us with additional information.

▪ Example of information needed based on itemization date:

- a. Last statement date: this will be that date that your company sent the last statement or invoice to the debtor. For example, if you sent a final statement to a debtor on October 1, and placed the account with Altus on December 1, you will need to tell us if i) any additional interest has been added to the debt since October 1; ii) if the debtor has made any payments since October 1; and, iii) if any adjustments/credits have been applied to the debt since October 1.
- b. Charge-off date: this is the date on which the account is charged off or written off from your books.
Please note that the charge off date does not necessarily coincide with the placement date and should be used when the account was written off from your books. However, there might be instances in which an account was charged off at the time of placement with Altus. To illustrate, let's say an account is charged off and placed with Altus on December 1; you will only need to provide further information if additional interest or adjustments were applied to the debt as of the write off date of December 1. Otherwise, no further information will be required.
- c. Last payment date: this will be the date of the last payment the debtor sent to you, the creditor. For example, let's say a debtor sent you a payment on July 1, you sent a last statement on August 1, and you placed the account for collection with Altus on December 1. If the last payment date is used for "itemization date" purposes, the date we will include in the Model Validation Notice will be July 1. Then, you will need to let us know: i) what the balance of the debt was as of July 1; ii) if any interest has been added to the debt between July 1 and December 1; and iii) if any credits/adjustments have been applied to the debt between July 1 and December 1.
- d. Transaction date: this is the date that gave rise to the debt, for example, the day you rendered services or delivered goods to the debtor. For example, if you deliver goods to the debtor on June 1, the debtor sends you a partial payment on August 1, you sent a last statement on September 1, and you place the account for collection on December 1, you will need to provide us with information for: i) the balance as of June 1, the transaction date; ii) the amount of any interest that has been charged to this account between June 1 and December 1; iii) the amount of any payments made by the debtor between June 1 and December 1; and iv) any credits/adjustments applied to the account between June 1 and December 1.

- As part of the optional information included in the Model Validation Notice, we will now provide Model Validation notices in Spanish should the debtor make that request (See attached).

English Model Validation Notice

Altus Receivables Management, Inc.
2400 Veterans Mem. Blvd. Suite 300
Kenner, LA 70062
(800) 509-8060 from 8am to 5pm CST, Monday to Friday
www.trustaltus.com

To: Person A
Street Address
City/State/Zip
Reference: [Altus Reference Number]

Altus Receivables Management is a debt collector. We are trying to collect a debt that you owe to [NAME OF CREDITOR/CLIENT]. We will use any information you give us to help collect the debt.

Our information shows:

You had an account with [NAME OF CREDITOR] with account number [DEBTOR'S ACCOUNT NUMBER WITH CREDITOR].

As of November 1, 2021, you owed:	\$	XXXXX
Between November 1, 2021 and today:		
You were charged this amount in interest:	+ \$	XXX
You were charged this amount in fees:	+ \$	XXX
You paid or were credited this amount toward the debt:	- \$	XXX
Total amount of the debt now:	\$	XXXXX

How can you dispute the debt?

- **Call or write to us by [45 DAYS FROM DATE OF NOTICE], to dispute all or part of the debt.** If you do not, we will assume that our information is correct.
- **If you write to us by [45 DAYS FROM DATE OF NOTICE],** we must stop collection on any amount you dispute until we send you information that shows you owe the debt. You may use the form below or write to us without the form. You may also include supporting documents.

What else can you do?

- **Write to ask for the name and address of the original creditor, if different from the current creditor.** If you write by [45 DAYS FROM DATE OF NOTICE], we must stop collection until we send you that information. You may use the form below or write to us without the form.
- **Go to www.cfpb.gov/debt-collection to learn more about your rights under federal law.** For instance, you have the right to stop or limit how we contact you.
- Contact us about your payment options.
- Póngase en contacto con nosotros para solicitar una copia de este formulario en español.

Notice: See reverse side for important information.

Mail this form to:
Altus Receivables Management, Inc

Kenner, LA 70063

Person A
[CITY/STATE/ZIP]

How do you want to respond?

Check all that apply:

- I want to dispute the debt because I think:**
 - This is not my debt.
 - The amount is wrong.
 - Other (please describe on reverse or attach additional information).
- I want you to send me the name and address of the original creditor.**
- I enclosed this amount:** \$

Make your check payable to *Altus Receivables Management, Inc.* Include the reference number [ALTUS REFERENCE NUMBER].

- Quiero este formulario en español.**

Spanish Model Validation Notice

Altus Receivables Management, Inc.
2400 Veterans Mem. Blvd. Suite 300
Kenner, LA 70062
(800) 509-6060 from 8am to 5pm CST, Monday to Friday
www.trustaltus.com

To: Person A
Street Address
City/State/Zip
Referencia: [Altus Reference Number]

Altus Receivables Management es un cobrador de deudas. Estamos tratando de collectar una deuda que usted tiene con [CREDITOR NAME]. Usaremos cualquier información que nos brinde para ayudar a cobrar la deuda.

Nuestra información muestra lo siguiente:

You had an account with [NAME OF CREDITOR] with account number [DEBTOR'S ACCOUNT NUMBER WITH CREDITOR].

Hasta el 2 de enero del 2017, usted debía:	\$ xxx
Entre el 2 de enero del 2017 y hoy:	
Se le cobró esta cantidad en interés:	+ \$ xxxx
Se le cobró esta cantidad en cargos:	+ \$ xxxx
Pagó y se le abonó esta cantidad a la deuda:	- \$ xxxx
Monto total de la deuda ahora:	\$ xxxxx

¿Cómo puede disputar la deuda?

- **Llámenos o escribanos antes del [45 DAYS FROM DATE OF NOTICE] para disputar la totalidad o parte de la deuda.** Si no lo hace, supondremos que nuestra información es correcta.
- **Si nos escribe antes del [45 DAYS NOTICE DATE],** debemos detener el cobro de cualquier cantidad que dispute hasta que le enviemos información que demuestre que debe la deuda. Debe utilizar el formulario a continuación o escribirnos sin el formulario.

¿Qué más puede hacer?

- **Escriba para solicitar el nombre y la dirección del acreedor original,** si es diferente del acreedor actual. Si escribe antes del [45 DAYS NOTICE DATE], debemos detener el cobro hasta que le enviemos esa información. Debe utilizar el formulario a continuación o escribirnos sin el formulario.
- **Visite www.cfpb.gov/debt-collection para obtener más información sobre sus derechos según la ley federal.** Por ejemplo, tiene derecho a detener o limitar la forma en que lo(a) contactemos.
- Contáctenos acerca de sus opciones de pago.

Aviso: Vea al reverso para obtener información importante.

Envíe este formulario a:
Altus Receivables Management, Inc
P.O. Box 1389
Kenner, LA 70063

Person A
[STREET ADDRESS]
[CITY/STATE/ZIP]

¿Cómo desea responder?

Marque todo lo que corresponda:

- Quiero disputar la deuda porque pienso que:**
 - Esta no es mi deuda.
 - La cantidad es incorrecta.
 - Otro (por favor describa al reverso o adjunte información adicional).
- Quiero que me envíe el nombre y la dirección del acreedor original.**
- Adjunto esta cantidad:** \$

Haga su cheque a nombre de *Altus Receivables Management, Inc.*. Incluya el número de referencia [ALTUS REF. NUMBER].