



SUPPORT [S.J.Res. 126](#) to Prevent Debt Collectors from Forcing Consumers to Pay Debts that are Not Enforceable

In 2023, the Consumer Financial Protection Bureau (CFPB) cracked down on debt collectors who bring or threaten to bring legal action against consumers on their time-barred or non-enforceable debts. But in a rule submitted to Congress, the Trump CFPB rescinded that guidance, increasing the risk of consumers being forced or threatened into paying debts they don't legally owe.

Senator Kim's joint resolution of disapproval (JRD) would undo the Trump CFPB decision and restore the earlier rule: "Fair Debt Collection Practices Act (Regulation F); Time-Barred Debt."

Endorsers: National Consumer Law Center (on behalf of its low-income clients), Consumer Federation of America, Center for Responsible Lending, Protect Borrowers, Americans for Financial Reform, National Community Reinvestment Coalition

Key Points

- **Some debt collectors attempt to collect debts that are not legally enforceable.** There are time limits for how long a creditor or debt collector can sue a borrower to collect on a debt. If that time runs out, the debt becomes time-barred and a debt collector has no right to legally force the borrower to repay the debt—but that doesn't mean some debt collectors don't try. For example, after the 2008 financial crisis, thousands of "zombie" second mortgages (a type of time-barred debt) were written off when property values plummeted and the loans became unsecured. However, with property values rising, debt buyers are bringing these second mortgages back to life and threatening to foreclose on hardworking families that have been paying faithfully on their first mortgages for decades.
- **The Biden CFPB issued guidance to crack down on debt collectors who engage in these abusive practices.** In 2023, the Biden CFPB issued an [advisory opinion](#) to affirm that the Fair Debt Collection Practices Act (FDCPA) prohibits a debt collector from suing or threatening to sue to collect a time-barred debt. As a result, a debt collector who brings or threatens to bring state court action to collect a time-barred mortgage debt, or "zombie debt," may violate FDCPA.
- **The Trump Administration withdrew this commonsense guidance, and this JRD seeks to restore it.** Although underlying statutes like the FDCPA continue to bar illegal debt collection practices, the Trump Administration's rescission of this guidance signals to bad actors that they have more leeway to harass consumers to pay debts they don't legally owe without fear of facing any real consequences from the current CFPB. It is critical for Congress to restore the earlier guidance.