

Debt Collector Communication And A Dead Persons Debts

<http://www.consumerhelpcentral.com/debt-collection-dead-person-ftc-policy/>

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When a loved one dies, they often leave behind debt. Depending on their financial situation at the time of death, those debt problems may need to be resolved before the estate can be closed out.

Imagine losing a loved one and being tasked with the chore of wrapping up their debt problems. Pay the bills, close out the accounts, and get things tied up. Call the debt collector and find yourself met with a dead end.

Nobody will speak with you because you're not the dead person. Nor, for that matter, are you their legal

representative in surrogate court.

Mix grief with frustration. Not a recipe for a good day.

The [Federal Trade Commission](#) issued a [policy statement](#) clarifying that the agency will not take enforcement action under the [Fair Debt Collection Practices Act](#) against debt collectors that try to collect the debts of deceased consumers, if the companies communicate with someone who is authorized to pay debts from the estate of the deceased.

The FTC took pains to emphasize that the normal rules of the FDCPA still apply, and that debt collectors aren't allowed to use deceptive or abusive tactics such as misleading relatives to believe they're personally liable for a deceased consumer's debts.

As a general rule, family members can't be held responsible for paying debts owed by dead relatives. Under the FDCPA a bill collector can contact a deceased person's spouse and the executor or administrator of the deceased person's estate, but only to demand payment as part of the state probate process.

Those state probate processes have become less formal over the years, now allowing a dead consumer's estate to be wrapped up without a formal executor or administrator being appointed. This can cause difficulties for everyone involved, from the debt collector to the family member who's wrapping up the estate without being formally appointed.

The FTC policy statement, finalized in July 2011, permits a debt collector to communicate about a dead person's debts with that person's spouse, the executor or administrator of the deceased person's estate, or anyone else who is authorized to pay the debts from assets in the estate.

The final policy statement also:

- describes how debt collectors may communicate with family members and others to locate someone who is authorized to pay the deceased person's debts from the estate, and specifies that collectors may not mislead individuals into believing that they have the authority to pay the decedent's debts when they do not.
- specifies that, in seeking to locate someone who is authorized to pay the deceased person's debts from the estate, collectors may not reveal or refer to the debts, but may say they wish to discuss payment of the deceased person's bills.
- states that in keeping with the FDCPA's prohibition on unfair, deceptive, or abusive collection practices, debt collectors may not contact family members and others at unusual or inconvenient times or places.

- emphasizes that, in communicating with someone who is authorized to pay the debts from assets of the deceased person's estate, collectors must avoid creating the misleading impression that the individual is personally liable or could be required to pay using his or her own assets, or assets held jointly with the deceased person.

This is good news for people who are tasked with handling someone's estate because it allows the smooth flow of information between the debt collector and the family member. You no longer need to run to surrogate's court to get appointed as the estate administrator solely to get authorization to speak with the credit card issuer.

Image credit: [thehutch](#)