The CFPB’s 2016 survey of third-party collectors found that when an account is placed with a third-party debt collection agency, collection agencies generally receive account information electronically via a secure site. Typically, review of new accounts was limited to “using external data sources to identify accounts belonging to bankrupt or deceased consumers, and often also to identify address changes, consumers covered by the Servicemembers Civil Relief Act, and litigious consumers.” Although creditors may provide access to underlying account documentation, either by transferring documents or providing access to the creditor’s own system, few respondents reviewed documentation to check the accuracy of their account information. Some respondents only obtain documentation from clients when needed and not at placement.

Footnotes

276 Consumer Fin. Protection Bur., Study of third-party debt collection operations 22, 23 (July 2016) (chart also lists frequency with which certain information was provided).

277 Id. at 22. See also § 1.5.5 [1], infra (discussing “scrubbing” portfolios).

278 Id.

279 Id. at 23–24.