

## Consumers Stressed Over Dealings With Debt Collectors

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**SAN DIEGO** -- The tough economy means more consumers have debt.

The I-Team heard from consumers who said debt collectors were lining up to collect payment, when they didn't owe the money.

"I had a judgment placed on me," said a man the I-Team called "Dave," who didn't want to show his face since he is active duty for the military. Debt collectors allege Dave owes them \$4000.

"It makes me feel bad, horrible," said Dave. "I'm failing them. It makes me feel like I'm failing myself."

Because of the dubious debt, Dave couldn't get security clearance to follow his unit to Iraq.

"I want to be there with my guys," said Dave.

No security clearance meant Dave's pay had to be cut 80 percent. The unfortunate irony for Dave is that he now is falling behind in paying his bills.

"A typical debt collector will make 180 to 200 calls a day," said consumer law attorney Josh Swigart of law firm Hyde & Swigart who represents Dave.

Swigart said debt collectors can be relentless in their pursuit.

"They make you feel like a total loser," said student Beth Medina who has been hassled over a \$53 charge for an ultrasound before her son was born. She paid the bill three years ago.

"And I said what exactly is the bill for?" said Medina. " And they couldn't give me any information. Nothing."

Even if Medina owed the bill, the problem with the debt industry is collectors are often using the wrong information. That means the amount may be wrong; they may have the wrong person or they may have the wrong address.

The I-Team stopped by San Diego's biggest debt collection company, Midland Credit Management, which is owned by Encore Capital Group.



### Debt Collectors

**Video:** Consumers Stressed Over Dealings With Debt Collectors

**10News Poll:** San Diegans Speak On Debt Collectors

**Statement:** Encore Capital Group, Inc.

According to the company's financial report, in the first quarter of this year, they collected \$115.2 million which is up 10 percent from last year.

The company refused an on camera interview with the I-Team. In a phone interview, CEO Brandon Black said he doesn't expect fair treatment by the media. He said his company plays by the rules.

The I-Team found lawsuits against Midland Credit Management alleging the company: called consumers "excessively"; when consumer answered the phone, midland representatives would hang up; the company inappropriately shared information with someone other than the debtor.

Tom Syta of the Federal Trade Commission says debt collection is the number one complaint for the government agency which receives 100,000 calls a year on the issue. Syta said debt collection is such a problem that the agency wants to change the Federal Debt Collection Law which is over 30 years old and is outdated.

"Some of the big changes we're proposing are the debt collector does a better job of telling the consumer what their rights are," said Syta.

Other proposed changes include: debt collectors wouldn't be able to call consumers on cell phones and text message them without consent; collectors would have to say who the original creditor is; and they would have to break down the money owed such as principal, interest and fees.

"You still have a right to be treated with dignity, respect and you have a right not be abused," said attorney Swigart.

Dave, the service member, is suing to clear up his record. Medina who has the ultrasound bill just got word from the hospital that they admit they made a mistake -- crediting her payment to the wrong account. Now, Medina must clear up her credit on her own.

For results of our 10News Poll, click [here](#).