



FOR IMMEDIATE RELEASE

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RMAI Thanks Military Service Members and their Families for Their Service

This November during Military Family Appreciation Month, the Receivables Management International Association (RMAI) heartily thanks military service members and their families, especially those who are also RMAI members.

RMAI reminds members of the military and their families of the many protections they are afforded under the law. Calls from debt collectors, letters from creditors, even decreases in credit scores can weigh heavily on service members, and that can feel worse when they are on active duty. Concerns about their families' well-being also add stress for service members on active duty.

Protections Under the Law: To alleviate undue stress and concern and help service members perform at their very best while on active duty, Congress passed the Service Members Civil Relief Act of 2003 (SCRA). This law gives service members and their families unique protections under the law. In particular, SCRA provides military service members and their families with important rights as they enter active duty and important protections while they are on active duty. The rights and protections cover such issues as rental agreements, security deposits, prepaid rent, eviction, installment contracts, credit card interest rates, automobile leases, mortgage interest rates, mortgage foreclosure, civil judicial proceedings, and income tax payments. RMAI members comply with all SCRA requirements.

Raise Your Hand if You are on Active Duty: According to the Consumer Financial Protection Bureau (CFPB), the first thing a service member on active duty or their dependents should do if contacted by a debt collector is inform the debt collector of their military status. Doing so will immediately place the debt collector on notice of the service member's status, which in turn triggers protections under the SCRA.

To begin the collection process, debt collectors typically mail a written notice explaining the debt and the service member's rights under the law. Other times the debt collector will contact the service member by phone as their first communication. In the case of phone contact as the first communication, the debt collector must also mail the written notice explaining the debt and the service member's rights within five days.

Six Responses to Debt Collection Activity: The CFPB advises service members on active duty and their dependents consider the following scenarios if contacted by a debt collector.

#1 – Questions about the collector or the debt? Ask the debt collector to provide written notice especially before agreeing to pay the debt collector or trying to negotiate the debt.

#2 - Recognize the debt? Work out a repayment plan with the debt collector that makes sense.

#3 - Debt several years old? Before making a payment or agreeing to a payment plan, find out what the state’s statute of limitations is for filing a lawsuit to collect the debt.

#4 - Debt not yours, already paid or settled or amount allegedly owed incorrect? Write the debt collector to dispute the debt and explain the reasons why.

#5 - Ask the debt collector stop communication and collection activity. Taking this action will not make the debt go away, but a written request to cease collection activity will stop the debt collector from calling and sending letters in connection with the collection of a debt.

#6 - Always keep letters sent by a debt collector in case you need to dispute the issue later.

Service members and their dependents can consult their local Judge Advocate General office for more information about the applicable law. Additional protections may also be afforded a member of the military under a state law or order resulting from the COVID-19 state of emergency.

RMAI invites service members and their families to visit [FinancialLiteracy.ROCKS](#), a free online resource to help consumers understand basic money management skills to manage finances and reduce debt. “RMAI is committed to consumer financial education and upholding the highest ethical standards for the accounts receivable management industry,” said RMAI Executive Director, Jan Stieger.

The CFPB also offers this flyer with additional information:

https://files.consumerfinance.gov/f/documents/cfpb_servicemembers_know-your-rights-when-a-debt-collector-calls.pdf

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About Receivables Management Association International:

Receivables Management Association International (RMAI) is a nonprofit trade association representing more than 550 companies that purchase or support the purchase of performing and nonperforming receivables on the secondary market. The Receivables Management Certification Program and Code of Ethics set the global standard within the receivables industry due to its rigorous uniform industry standards of best practice which focuses on the protection of the consumer.

More information about RMAI is available at www.rmaintl.org.