

Arizona (Ariz. Rev. Stat. § 32-9, Ariz. Admin. Code R 20-4-1501 et seq.)

This law pertains specifically to collection agencies, and defines a “collection agency” as a person or entity required to obtain a collection agency license under Title 32, Chapter 9 of the Arizona Revised Statutes. This definition includes:

“(a) All persons engaged directly or indirectly in soliciting claims for collection or in collection of claims owed, due or asserted to be owed or due.

“(b) Any person who, in the process of collecting debts occurring in the operation of his own business, uses any name other than his own which would indicate that a third person is collecting or attempting to collect such debts.”

Therefore, Arizona does not define creditors collecting under their own name as debt collectors, and this statute does not apply to them. Arizona provides for a number of special restrictions on debt collectors:

- A collection agency must deal openly, fairly and honestly in the conduct of the collection agency business.
- A collection agency may not attempt to collect any attorneys’ fee, court cost, or expenses unless they are justly due and legally chargeable to the debtor, or have been judicially determined.
- A collection agency may not engage in unfair or misleading practices or use vindictive, illegal, or oppressive means in the collection of debts.
- A collection agency may not use written documents which falsely simulate legal process, are ambiguous or misrepresent the extent, character, or amount of a debt, or which imply the addition of fees which are not legally chargeable to the debtor.
- A collection agency may not threaten to sell a debtor’s obligation.
- A collection agency may not use the name of or claim to be from an attorney at law or a law firm.
- A collection agency may not falsely represent in written materials that it practices law, provides legal services, or maintains a legal department.
- A collection agency may not use any letterhead, advertisement, agreement, form, circular, or other printed matter to imply that it is licensed to practice law, or is associated with or vouched for by the state.
- A collection agency may not advertise a claim for sale to induce repayment.

Additionally, the Arizona Administrative Code, Rule 20, Article 15 provides restrictions:

- Any persons issuing a receipt for a collection agency must use their true names. The receipt must also bear the name of the collection agency.
- A collection agency must represent itself as such in all contacts with its debtors. It may not represent itself as a credit-reporting agency or a credit bureau when it is not one. A collection agency may not imply that it is a law enforcement agency or a law firm.

- A collection agency may not misrepresent the state of the law to a debtor, send a debtor a written communication simulating legal process, or imply that a nonpayment may result in criminal prosecution or arrest.
- A collection agency may not threaten to turn over an account to attorney unless it actually intends to do so when the threat is made.
- A collection agency may not use unauthorized or oppressive tactics designed to harass any person.
- A collection agency may not state or imply that a person has committed fraud or any crime.
- A collection agency may not use obscene or abusive language in collecting a debt.
- A collection agency may not contact a debtor by telephone at unreasonable hours.
- A collection agency may not contact or threaten to contact a third party in order to inform the third party of the debt, ask the third party to pressure the debtor into paying the debt, or demand that the third party pay the debt unless he is legally obligated to do so.
- A collection agency may not communicate with a debtor who is represented by an attorney.
- A collection agency may not imply or attempt to collect any attorney's fee, collection cost, or other fee not provided for in the agreement establishing the debt; inform a debtor that litigation has been initiated, or will be initiated when it has, or will not; file a lawsuit against a debtor using an attorney who has a personal or financial interest in the collection agency.
- A collection agency may not inform a debtor that he has waived, or will have waived, any right or defense legally due to him by failure to contact the collection agency; assert that the collection agency may circumvent the legal process; misrepresent to the debtor any remedies available to the collection agency.
- A collection agency may not use any language, written or oral, tending to ridicule, disgrace, or humiliate a debtor.
- A collection agency may not attempt to contact a debtor at his place of employment unless a reasonable attempt has first been made to contact the debtor at his place of residence, and that attempt has failed.
- A collection agency must disclose to a debtor the name of the creditor, the time and place of the creation of the debt, the merchandise, services, or other things of value underlying the debt, and the date the account was turned over to the collection agency.
- A collection agency must file a record of its collectors' fictitious names (aliases), along with the debt collector's true name, dates used, true home address, and mailing address with the Arizona Department of Financial Institutions on July 1 and December 31 of each year. The collection agency must report changes to the Department.

- A collection agency has a duty to investigate claims that a person it has contacted in connection with a debt is the wrong party, or that the debt has been paid, or that the debt has been discharged in bankruptcy, or any other reasonable claim that the debt is not owing before continuing collection efforts. The collection agency must furnish evidence of the debt if and when so requested.
- A debtor shall have the right to access a collection agency's books and records concerning the debtor or the debt; the collection agency must provide to the debtor without cost copies of any document relevant to the debt or its collection upon his request.
- A collection agency must cease communication with a debtor who has notified the debt collector in writing of his refusal to pay the debt or his wish that the debt collector cease communication with him; however, the collection agency may make one last communication with the debtor to inform the debtor that it has stopped trying to collect the debt or that it intends to invoke specific remedies customarily used by the collection agency or creditor.
- Within 5 days of the initial communication with the debtor, a collection agency must obtain and be able to inform the debtor of the name of the creditor, the time and place of the creation of the debt, the merchandise, services, or other value that created the debt, and the date when the debt was turned over to the collection agency.
- A collection agency using any name other than its own must obtain a separate business license for that name.
- A collection agency may not allow a representative to misrepresent his true position with the company, falsely imply that he is an attorney or is licensed to practice law, that he is a public employee, or claim or imply that he is any other third party.
- An employee of a collection agency must state in every communication with a debtor that he is a debt collector.