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## **NOTICE OF PROPOSED RULEMAKING**

The Administrator of the Colorado Fair Debt Collection Practices Act will hold a public rulemaking hearing at 9:00 a.m. on Friday, June 4, 2010 in Room 243 of the State Services Building, 1525 Sherman St., Denver, Colorado to consider new rules and amendments to existing rules to implement House Bill 10-1222. The Colorado Collection Agency Board may provide recommendations on the proposed rules. Visitors should proceed to the 7<sup>th</sup> floor to check in and will be escorted to the meeting room.

House Bill 10-1222 continues and expands the requirement that a licensed collection agency maintain a local Colorado office. The amendments delineate how the local Colorado office requirements may be met and how that office location should be disclosed on collection notices. The amendments also notify licensees that a change of address of the local Colorado office is an address change that requires timely written notice to the Administrator.

Copies of the proposed rules are attached to this notice. They are also available at [www.coloradoattorneygeneral.gov/ca](http://www.coloradoattorneygeneral.gov/ca) or may be obtained by sending a written request to the Administrator, Colorado Fair Debt Collection Practices Act, 1525 Sherman Street, 7<sup>th</sup> Floor, Denver, CO 80203.

Written submissions on the proposed rules must be filed by May 28, 2010 in order to be considered at the hearing and included in the public rulemaking record, should reference the proposed rule, and be addressed to the Administrator at the above address. Oral comments may be made at the hearing as time permits. All oral submissions, and timely written submissions, will be considered.

Statutory authority: § § 12-14-114, and 24-4-103, C.R.S.

Dated: April 30, 2010.

*Laura E. Udis*

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LAURA E. UDIS  
Administrator  
Colorado Fair Debt Collection Practices Act

**Proposed Amendments and New Rules**

*(Note: proposed changes are shaded with new language in capital letters. Deleted language is shown with a line through it. Only proposed new or amended rules are reprinted below.)*

**RULES OF THE ADMINISTRATOR, COLORADO COLLECTION AGENCY**

**BOARD**

(effective ~~November 1, 2008~~ JULY 30, 2010)

4 Code of Colorado Regulations 903-1

**Rule 1.07 Address Changes**

~~For purposes of section 12-14-122(1)(a), C.R.S. mandating written notice to the Administrator within thirty days of a change of business address, the business address is the principal place of business printed on the collection agency's license.~~

A COLLECTION AGENCY'S OBLIGATION TO PROVIDE WRITTEN NOTICE TO THE ADMINISTRATOR WITHIN THIRTY DAYS AFTER AN ADDRESS CHANGE APPLIES TO BOTH THE LOCAL COLORADO OFFICE AND THE PRINCIPAL PLACE OF BUSINESS PRINTED ON THE COLLECTION AGENCY'S LICENSE.

**RULE 1.09 LOCAL COLORADO OFFICE**

(1) A COLLECTION AGENCY MAY SATISFY THE LOCAL COLORADO OFFICE REQUIREMENT OF SECTION 12-14-123(1)(B), C.R.S BY CONTRACTING WITH A THIRD-PARTY IF THE THIRD-PARTY:

(A) MAINTAINS AN OFFICE IN COLORADO OPEN TO THE PUBLIC DURING NORMAL BUSINESS HOURS THAT MAY BE A SHARED OFFICE LOCATION IF SIGNS OR DIRECTORIES ARE POSTED OR DISPLAYED LISTING ALL COLLECTION AGENCIES FOR WHOM THE THIRD-PARTY PROVIDES A LOCAL COLORADO OFFICE;

(B) MAINTAINS AT THAT OFFICE RECORDS, OR FREE AND EASY ACCESS TO RECORDS, OF ALL MONEYS COLLECTED AND REMITTED FOR COLORADO RESIDENTS;

(C) ACCEPTS AT THAT OFFICE PHYSICAL PAYMENTS OF DEBTS THE AGENCY IS ATTEMPTING TO COLLECT;

(D) STAFFS THAT OFFICE WITH A FULL TIME EMPLOYEE WHO MAY BE A SHARED EMPLOYEE;

(E) PROVIDES A TELEPHONE NUMBER THAT MAY BE A SHARED TELEPHONE NUMBER, THAT RINGS TO THE LOCAL COLORADO OFFICE,

AND IS ANSWERED IN A MANNER THAT DOES NOT MISLEAD CONSUMERS; AND,

(F) COMPLIES WITH ALL APPLICABLE PROVISIONS OF THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT.

(2) A COLLECTION AGENCY THAT USES A THIRD-PARTY TO PROVIDE A LOCAL COLORADO OFFICE IS RESPONSIBLE FOR ACTIONS OF THE THIRD-PARTY THAT VIOLATE THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT.

## Chapter 2

### Consumer Protections

#### Rule 2.01 Notices

- (1) The consumer rights information required to be in the initial written communication and the validation of debts notice may be printed on two (2) separate pages provided that the first page contains language referring the consumer to the second page and the two (2) pages are attached together.
- (2) Every collection notice mailed or delivered by a licensee must contain the collection agency's name, mailing address, ~~and~~ toll-free telephone number, AND THE ADDRESS AND TELEPHONE NUMBER OF ITS LOCAL COLORADO OFFICE. The collection agency's address(ES) may not be printed only on any portion of the collection notice designed to be returned to the agency with the consumer's communication or payment. "Toll-free" means a call made at no cost to the consumer.

#### Rule 2.11 Office Location

SUBJECT TO RULE 1.09, aA collection agency may share an office location with another business as long as all signs, directories, and other business identification information clearly contain the collection agency's name.

**Rule 2.15     Disclosure of Contact Information**

Upon the request of a consumer or person contacted for location information, a licensee shall provide **THE ADDRESS OF** its principal place of business, mailing address, toll-free telephone number, **ADDRESS AND TELEPHONE NUMBER OF ITS LOCAL COLORADO OFFICE**, and, if applicable, facsimile number.

**PROPOSED STATEMENT OF BASIS, SPECIFIC STATUTORY AUTHORITY,  
AND PURPOSE**

The proposed new and amended rules implement the statutory changes resulting from House Bill 10-1222, retaining and expanding a licensed collection agency's responsibilities to maintain a local Colorado office. Under current law, that office must be open to the public during normal business hours, be staffed by at least one full time employee, and maintain a record of payments and remittances made on behalf of Colorado residents. The Administrator of the Colorado Fair Debt Collection Practices Act has allowed a shared office under existing Rule 2.11, and by practice has allowed shared employees and access to records in order to ease the regulatory burden on out-of-state collection agencies. Amended Rule 2.11 and new Rule 1.09 clarify these practices and standardize them by authorizing them by rule rather than practice. In addition, due to the new responsibilities of the local Colorado office in HB 10-1222, new Rule 1.09 clarifies how the local Colorado office should be handled if a collection agency contracts with a third-party to provide such services. Conforming amendments are made to Rule 2.01 and 2.15 to reflect the new requirement that the local Colorado address be printed on collection notices and to also require collection agencies to disclose this information upon request. Rule 1.07 is amended to clarify that the 30-day notice of a change of address required by §12-14-122, C.R.S. also applies to the local Colorado office.

The statutory authority for the proposed rules is found at § § 12-14-114, and 24-4-103, C.R.S.