

§ 2506.13 How will the Corporation contract for private collection services?

The Corporation uses the services of a private collection contractor when it determines that such use is in the Corporation's best interest. When the Corporation determines that there is a need to contract for private collection services, the Corporation:

(a) Retains sole authority to:

- (1) Resolve any dispute with the debtor regarding the validity of the debt;
- (2) Compromise the debt;
- (3) Suspend or terminate collection action;
- (4) Refer the debt to the DOJ for litigation; and
- (5) Take any other action under this part;

(b) Requires the contractor to comply with the:

- (1) Privacy Act of 1974, as amended, to the extent specified in 5 U.S.C. 552a(m);
 - (2) Fair Debt Collection Practices Act (15 U.S.C. 1692-1692o); and
 - (3) Other applicable Federal and State laws pertaining to debt collection practices and applicable regulations of the Corporation in this part;
- (c) Requires the contractor to account accurately and fully for all amounts collected; and
- (d) Requires the contractor to provide to the Corporation, upon request, all data and reports contained in its files related to its collection actions on a debt.