

# STATE OF COLORADO

Department of Law

## COLLECTION AGENCY BOARD

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Denver, Colorado 80202  
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Laura E. Udvis  
Executive Director  
Jack L. Kinkel  
Deputy Administrator

April 10, 1991

RE: In-State Office Requirements and Validation Notice

Dear

You have asked about the Colorado office requirement of the Colorado Fair Debt Collection Practices Act ("CFDCPA"). Your collection agency is licensed in Colorado and regularly collects from Colorado consumers or for Colorado creditors. However, most of its collections operations are conducted from an out-of-state location where the debt collectors and collections manager are located.

The CFDCPA requires all licensed collection agencies to maintain a Colorado office open to the public during normal business hours and staffed by at least one full-time employee. Section 12-14-123(2), C.R.S. (1990 Supp.). The purpose of the in-state office requirement is to allow both consumers and creditors access to collection and remittance records for Colorado residents. Id. In addition, the law implies that the in-state office allows consumers the option to make payments in person. Failure to comply with the Colorado office requirement may result in disciplinary action against a collection agency's license.

The in-state office requirement is minimal and should not impede an out-of-state agency's collection activities. The office may be located with other businesses as long as the collection agency is clearly identified on all directories, signs, etc. Colorado Collection Agency Board Rule 2.11, 4 CCR 903-1 at 6 (11-90). In my opinion, your Colorado office employee may be shared with another business if that person is accessible to consumers and creditors seeking to review payment or remittance records and make payments.

The Colorado office may make payment and remittance records available by providing a computer terminal and printer which can be accessed by your employee in lieu of retaining the actual hard copy records at the in-state location. Alternatively, the Colorado office may make available a telephone to consumers and creditors free of charge in order to verbally request such information from the out-of-state location.

In addition, your validation notice only contains the out-of-state address of your collection agency.\*\*1 It contains no telephone number at all. It is my opinion that the validation notice must contain your in-state address so that the consumer may make payments, view payment records, and deliver debt verification requests and other notices in person.\*\*2 Without the Colorado address, the consumer cannot exercise his rights under the CFDCPA and is forced to conduct all business by mail.

Likewise, the CFDCPA impliedly requires the collection agency's telephone number to appear on the validation notice. The number may be that of the Colorado office or a number allowing the consumer to call the out-of-state location free of charge (such as an "800" number) or collect (the validation notice should state that collect calls are accepted). Office personnel answering the telephone should know of the existence of and directions to the Colorado office, as well as be able to speak to consumers about their accounts. I therefore strongly urge you to add a telephone number to your validation notice.

In conclusion, your collection agency must have an actual Colorado office location. Although it need be only minimal, it must provide access to consumer payment and client remittance records and be able to accept consumer payments. The Colorado office address must appear on your validation notice. The notice should also contain a telephone number for consumers to use free of charge to obtain account information. Please ensure that your

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1\*\* The validation notice includes a return envelope preprinted with the out-of-state address for the consumer's use. That fact does not alter this opinion, however.

2\*\* The Colorado address may be in lieu of or in addition to the out-of-state address.

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agency is in compliance with these requirements.

This letter reflects our current enforcement position although it does not constitute a formal advisory opinion of the Collection Agency Board. See § 12-14-113(5), C.R.S. Feel free to contact me if you have any questions about this matter.

Sincerely,

A handwritten signature in cursive script that reads "Laura E. Udis". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

LAURA E. UDIS  
Executive Director

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