TALA

The Global Debt Collection Dignity Initiative (DCDI)

About Tala

Tala is the leading financial platform for the Global Majority. We know today's financial infrastructure doesn't work for most of the world's population. We're applying advanced technology and human creativity to solve what legacy institutions can't or won't, in order to unleash the economic power of the Global Majority.

About the Global Debt Collection Dignity Initiative

Fair treatment of customers is crucial at every stage of the lending journey, even in challenging circumstances such as repaying a loan when facing financial hardship. Unfortunately, the regulation of debt collection practices has fallen short in many legal systems worldwide, including those of advanced economies.

To bridge this critical gap and ensure consumer protection, we have launched the *Global Debt Collection Dignity Initiative (DCDI)*. **Our mission is to advance the development of a model framework for regulating debt collection firms and practices, adaptable by national authorities globally.**

The regulation of debt collection practices remains fragmented, ambiguous and inadequate in many countries.

- We have seen too many stories where a lack of cohesive oversight exposes consumers to unfair, abusive, and misleading tactics by debt collectors, leading to financial and emotional distress and erosion of trust in the lending system.
- Regulation of debt collectors and collection practices remains fragmented, unclear or lacking in many jurisdictions, despite the availability of best practices and oversight models in other countries.

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DCDI seeks to establish a model framework for regulating debt collectors and debt collection practices to be localized based on the unique nature of national government and legal systems.

- We aim to protect consumers from abusive debt collection practices, restore confidence in the lending ecosystem, and foster financial inclusion.
- Collaboration between governments, regulatory bodies, and industry stakeholders is crucial to ensure the effective implementation and enforcement of the DCDI framework on a global scale.

The DCDI proposes a comprehensive model debt collection framework focused on three pillars

(1) *Proper Oversight of Debt Collectors, including through Licensure or Registration*
   - Requiring licensure or registration with an appropriate regulator.
   - Requiring company information/financial strength disclosure & compliance policies/procedures.

(2) *Consumer Protection Requirements*
   - Prohibiting unfair, abusive, and deceptive practices by debt collectors.
   - Requiring transparent and accurate communication regarding debt obligations and resolution paths.
   - Establishing professional communication standards and complaint management procedures to safeguard consumers.

(3) *Debt Collection Safeguards & Enforcement*
   - Enforcing against illegal practices such as harassment, false representation, and unlawful seizure of assets.
   - Training and resourcing regulatory enforcement bodies.

Join us in our mission to create a more comprehensive debt collection framework that champions consumer dignity and fair treatment, paving the way for a future where debt collection practices safeguard the rights and well-being of all consumers.

For more information or to support the initiative, please contact **brent.messenger@tala.co.**