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## NEWS RELEASE

**FOR IMMEDIATE RELEASE**

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### **Financial Literacy Tip of the Week Idaho Department of Finance Encourages Consumers to Verify Licensing When Seeking Help with Tax-Related or Other Debt**

**Boise, Idaho...** As part of Financial Literacy Month, the Idaho Department of Finance is reminding consumers of the importance of working with licensed financial service providers. Whether a consumer is seeking help with tax-related debt, medical bills, credit card balances, or other obligations, Idaho law requires certain companies to be licensed before they engage in debt-related services. Under the Idaho Collection Agency Act, companies must obtain a license before they collect or receive payments for others, negotiate or settle consumer debt, solicit the right to collect a debt, or operate as a collection agency, debt counselor, credit counselor, credit repair business, or debt buyer. Licensing helps ensure that businesses meet Idaho's standards for transparency, financial responsibility, and fair treatment.

#### **Recent Consumer Protection Work**

Earlier this year, the Department reached a settlement with Wall and Associates, Inc. resolving allegations that the company engaged in unlicensed debt-settlement activity in Idaho. This case also reaffirmed that companies offering tax-debt negotiation or settlement services are engaged in debt-settlement activity under Idaho law and must be licensed before providing those services to Idaho consumers. This matter highlights the importance of verifying a company's license before agreeing to any debt-relief services. A complete list of the Department's enforcement actions is available on the Idaho Department of Finance website at [www.finance.idaho.gov/legal/civil-actions](http://www.finance.idaho.gov/legal/civil-actions).

#### **Why Licensing Matters**

Licensed companies must follow Idaho's consumer protection laws, including requirements for bonding, accurate disclosures, proper handling of consumer funds, and cooperation with regulatory oversight. Unlicensed companies may misrepresent their authority, charge improper fees, or pressure consumers into agreements that do not improve their financial situation.

National data shows that unlicensed fraudulent debt-relief activity continues to grow. According to the Federal Trade Commission, reports of debt-related fraud increased by more than 15 percent in 2025, with consumers reporting over 190 million dollars in losses.<sup>1</sup> The Internal Revenue Service also notes that tax-related scams occur throughout the year and often involve individuals or companies claiming they can settle tax debt for far less than what is owed.<sup>2</sup> For more information about permissible fees and practices related to debt-settlement and debt-management services, consumers may reference the Federal Trade Commission's Credit Repair Organizations Act (CROA), 15 U.S.C. §§ 1679–1679j.

<sup>1</sup> Federal Trade Commission, *Consumer Sentinel Network Data Book 2025*.

<sup>2</sup> Internal Revenue Service, *Tax Scams and Consumer Alerts, 2025*.

### Tips for Idaho Consumers

- **Verify the company's license.** - Consumers may confirm a company's licensing status by searching the NMLS Consumer Access website at [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org) or by contacting the Department for verification.
- **Request clear information about services and fees.** Consumers should make sure they understand what the company will do, how much it will cost, and whether the company is legally permitted to provide those services in Idaho.
- **Understand your right to debt verification.** If a consumer is contacted by a third-party debt collector, federal law gives them the right to request verification of the debt within 30 days of receiving the initial notice. Consumers may choose to send this request in writing and keep proof of mailing. Debt collectors must then provide information confirming the debt before continuing collection efforts. For more details about when and how to dispute a debt, or any portion of a debt, consumers may reference the Fair Debt Collection Practices Act (FDCPA), 15 U.S.C. § 1692g.
- **Be cautious of high-pressure tactics or time-sensitive claims.** Licensed companies do not threaten arrest, immediate legal action, or seizure of property without following required due-process steps. For more details about prohibited deceptive practices and false representations in debt collection, consumers may reference the Fair Debt Collection Practices Act (FDCPA), 15 U.S.C. § 1692e.
- **Learn more about your rights.** Consumers can find additional information about federal debt-collection protections from the Consumer Financial Protection Bureau at [www.consumerfinance.gov/consumer-tools/debt-collection](http://www.consumerfinance.gov/consumer-tools/debt-collection).
- **Use secure payment methods.** Consumers should avoid paying fees through gift cards, wire transfers, or cryptocurrency.
- **Know how legitimate agencies communicate.** The IRS does not initiate contact by email, text message, or phone calls, demanding immediate payment. Consumers who receive such messages should treat them with caution.

Consumers who believe they have been contacted by an unlicensed company, or have concerns about a debt-related interaction, can report it to the Idaho Department of Finance by submitting a complaint at [www.finance.idaho.gov/complaint-guidance](http://www.finance.idaho.gov/complaint-guidance).

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### About the Idaho Department of Finance

The Idaho Department of Finance has regulated financial services in Idaho since 1905. Its mission is to safeguard the financial health of Idahoans through the appropriate oversight of diverse financial institutions, the education and protection of consumers, and by fostering sensible innovation in the financial services market. For more information, please visit [finance.idaho.gov](http://finance.idaho.gov) or email [finance@finance.idaho.gov](mailto:finance@finance.idaho.gov).