



D I S T R I C T O F C O L U M B I A B A R
Antitrust and Consumer Law Section

October 7, 2014

The Honorable Vincent Orange
Chairman
Committee on Business, Consumer, and Regulatory Affairs
Council of the District of Columbia
1350 Pennsylvania Ave., N.W.
Washington, DC 20004

RE: B-20-887, DEBT BUYING LIMITATION AMENDMENT ACT OF 2014

Dear Councilmember Orange:

The Steering Committee of the Antitrust and Consumer Law Section of the District of Columbia Bar submits the enclosed statement in support of the referenced legislation to reform the procedures for the collection by debt buyers of consumer debts in the District of Columbia, to provide greater notice and other protections to consumers.

The statement reflects only the views of the Antitrust and Consumer Law Section of the D.C. Bar, and not the views of the D.C. Bar or of its Board of Governors.

Respectfully submitted,

A handwritten signature in cursive script that reads "George P. Slover".

George Slover
Daniel Ducore
Co-chairs, Antitrust and Consumer Law
Section Steering Committee
District of Columbia Bar

cc: The Honorable Mary M. Cheh

**D.C. Bar Antitrust and Consumer Law Section Statement of Support for
Debt Buying Limitation Amendment Act of 2014
October 7, 2014**

Note: The views expressed herein represent only those of the D.C. Bar Antitrust and Consumer Law Section, and not those of the D.C. Bar or its Board of Governors.

The D.C. Bar's Antitrust and Consumer Law Section (the "Section") submits this statement in support of Bill B-20-887, the Debt Buying Limitation Amendment Act of 2014, introduced by Councilmember Mary Cheh.¹ We believe the proposed legislation is an appropriate and effective response to concerns regarding reported careless and abusive debt collection practices by those who have purchased interests in debts from other lenders who are relinquishing their own efforts to collect.

There are disturbing reports of debt buyers aggressively seeking to collect consumer debts without having first sufficiently ascertained that the debt is in fact owed by the consumer the creditor is pursuing, the amount of the debt, the circumstances surrounding any nonpayment, and that the consumer is still legally obligated to pay, and without giving the consumer proper notice. This has been a growing nationwide concern among consumer groups, regulatory and law enforcement agencies, and legislators.² Legal services attorneys representing low-income consumers in D.C. Superior Court say they often encounter cases with these defects. We believe the D.C. Council should take steps to ensure that District residents are protected.

The bill furthers this purpose by establishing basic protections that include the following:

- Requiring a debt buyer or other debt collector to have specific and reliable information regarding the identity of the debtor, the amount of the original debt and when it arose, an itemized date and amount of any interest or penalty accrued, and the chain of ownership of the debt from the original creditor to the debt buyer, before the debt buyer is permitted to contact the consumer debtor or seek to recover the debt.
- Requiring the debt buyer or other debt collector to provide this information to the consumer debtor within 15 days of request, along with documentation of the debt buyer's or debt collector's right to collect the debt.

¹ The Section Steering Committee voted, without dissent (two Steering Committee members, Carrie Anderson and Robert Hauberg, abstained), on September 16, 2014, to adopt this public statement.

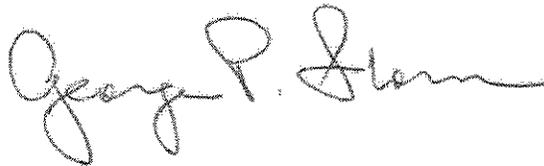
² See generally Federal Trade Commission, *The Structure and Practices of the Debt Buying Industry*, January 2013; Consumer Financial Protection Bureau, *Annual Report on Fair Debt Collection Practices Act*, March 20, 2014. Debt collection practices constituted 12 percent of complaints from District consumers to the Federal Trade Commission in 2013, ranking second only to complaints about banks and lenders, and ranking first in 2012. See Federal Trade Commission, "Consumer Sentinel Network Data Book, January - December 2013" (2014), and "Consumer Sentinel Network Data Book, January - December 2012" (2013).

- Requiring the debt buyer or debt collector to notify the consumer debtor in the first communication that the consumer debtor has the right to this information, whether the debt is still within the statute of limitations, and whether the debt is still reportable to credit reporting agencies under the Fair Credit Reporting Act.
- Prohibiting a debt buyer or other debt collector from bringing a court case to recover a debt when it knows or reasonably should know that collecting the debt is barred by the applicable statute of limitations.
- Requiring that the debt buyer include in any action filed in court to collect the debt specified information regarding the debt, the consumer, the amount owing, the legal basis for any interest or fees, and the debt buyer's right to collect, with documentation attached.
- Providing consumer debtors with a cause of action against debt buyers and debt collectors who violate these requirements, including reasonable attorney's fees and a bar against further attempts to collect the debt or any related amounts.

We believe these are appropriate and reasonable protections to provide consumer debtors, consistent with maintaining the fair right of creditors, including debt buyers, to collect debts legitimately owed.

We therefore recommend that the D.C. Council approve this bill. In this regard, we would be pleased to assist the Committee with its consideration of the bill, to help you ensure that it achieves its purpose.

Respectfully,

A handwritten signature in black ink that reads "George P. Slover". The signature is written in a cursive, flowing style.

George Slover
Daniel Ducore
Co-Chairs, Antitrust & Consumer
Law Section Steering Committee,
District of Columbia Bar