



January 16, 2018

United States House Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

RE: Groups strongly oppose H.R. 4550 – Practice of Law Technical Clarification Act of 2017 (previously filed as H.R. 1849)

Dear Committee Members:

The undersigned community, consumer, and civil rights groups urge you to oppose H.R. 4550, the Practice of Law Technical Clarification Act of 2017 (Gonzalez-Mooney), which would exempt attorneys and law firms engaged in litigation from the Fair Debt Collection Practices Act (FDCPA) and eliminate Consumer Financial Protection Bureau (CFPB) authority over them. Passage of this bill would hurt consumers, especially people who have recently lost jobs, had a death in the family, or suffered another type of devastating personal loss, by eliminating critical protections against abusive practices by collection attorneys.

In 1986, as the result of clear findings of abuses by debt collection attorneys, Congress amended the FDCPA to ensure that attorneys who meet the statutory definition of debt collector must comply with all of the provisions of the law.¹ In the process of adopting the 1986 amendment, Congress considered but rejected “language designed to keep litigation activities outside the Act’s scope.”² H.R. 4550 would turn back the clock on this important protection for struggling families by exempting collection attorneys’ litigation conduct from the consumer protections provided by the FDCPA.

Americans file more consumer complaints with state and federal officials about debt collectors than any other industry. Recent enforcement actions³ by federal agencies have highlighted numerous and widespread abusive and deceptive practices by collection law firms and attorneys. Yet this bill would exempt litigation activities by collection law firms and attorneys from CFPB supervision and enforcement. Your constituents would be harmed by this change in the law.

The FDCPA is a critical consumer protection statute designed to “eliminate abusive debt collection practices by debt collectors.”⁴ In order to achieve this goal, it is critical that Congress ensure that the statute applies broadly to *all* types of collection activities engaged in by collection attorneys and law firms.

We strongly urge you to oppose H.R. 4550 and reject this attempt to weaken the FDCPA. For more information, please contact Margot Saunders (MSaunders@nclc.org) or April Kuehnhoff (AKuehnhoff@nclc.org) at the National Consumer Law Center.

Sincerely,

Alliance for Justice
American Association for Justice
Americans for Financial Reform (AFR)
Arizona Community Action Association

Arkansans Against Abusive Payday Lending
Arkansas Community Organizations
Center for Justice and Democracy
Center for Responsible Lending
Civil Justice, Inc.
Connecticut Legal Services, Inc.
Connecticut Veterans Legal Center
Consumer Action
Consumer Federation of America
Consumers League of New Jersey
Consumers Union
Florida Alliance for Consumer Protection
Georgia Watch
Jacksonville Area Legal Aid, Inc.
Kentucky Equal Justice Center
Legal Aid Society of the District of Columbia
Legal Services of New Jersey
Michigan Consumer Law Section⁵
Michigan Poverty Law Program
Mobilization for Justice, Inc.
Mountain State Justice, Inc.
NAACP
National Association of Consumer Advocates
National Association of Consumer Bankruptcy Attorneys (NACBA)
National Center for Law and Economic Justice
National Consumer Law Center (on behalf of its low-income clients)
National Legal Aid & Defenders Association
National Veterans Legal Services Program
New Economy Project
New Leaf's Mesa Community Action Network
North Carolina Justice Center
Prosperity Now
Protecting Arizona's Family Coalition
Public Citizen
Public Good Law Center
Public Interest Law Center
Public Justice
Public Law Center
South Carolina Appleseed Legal Justice Center
Texas Appleseed
Tzedek DC
U.S. Public Interest Research Group (PIRG)
Volunteers of Legal Service, Inc.
West Virginia Center for Budget and Policy
Woodstock Institute

¹ Pub. L. No. 99-361, 100 Stat. 768 (effective July 9, 1986).

² Heintz v. Jenkins, 514 U.S. 291, 298 (1995).

³ See, e.g., Complaint, Consumer Fin. Protection Bureau v. Weltman, Weinberg & Reis Co., L.P.A. (N.D. Ohio Apr. 17, 2017); Consent Order, In the Matter of Pressler & Pressler, LLP,

Sheldon H. Pressler, and Gerald J. Felt ¶ 39 (Apr. 25, 2016); Consumer Fin. Protection Bureau v. Frederick J. Hanna & Assoc., Stipulated Final Judgment and Order, 14-cv-02211-AT, at ¶¶ 10-11 (D.Ga. 2015).

⁴ 15 U.S.C. § 1692(e).

⁵ The Consumer Law Section is not the State Bar of Michigan itself, but rather a Section which members of the State Bar choose voluntarily to join, based on common professional interest. The position expressed is that of the Consumer Law Section only and is not the position of the State Bar of Michigan.