AMPs are a Win-Win for Low-Income Customers and Utilities

Across the country, low-income consumers are struggling to pay their utility bills. In fact, one report from the Consumer Financial Protection Bureau found that collections in the “utilities or energy” category is the third most common item on consumers’ credit reports. Their study indicates that approximately one in thirteen consumers has a credit report containing one or more collections items originated from a utility or energy bill.

Helping consumers manage their utility bills can not only help keep the lights and heat on in households, but also provide utility companies with the opportunity to collect more money from otherwise uncollectible accounts. An example of a great way to manage arrearages is through Arrearage Management Programs, or AMPs, which have been successfully used in Massachusetts to provide incentives for low-income consumers to stay current on their bills in exchange for a structured, gradual forgiveness of past bills.

In September 2013, the National Consumer Law Center (NCLC) published the report *Helping Low-Income Utility Customers Manage Overdue Bills through Arrearage Management Programs*, which provides an overview of how AMPs work in Massachusetts. Since then, NCLC has observed growing interest in replicating the success of Massachusetts AMPs in other states—most recently in Maine, Maryland, and D.C.

Penni McLean-Conner, Senior VP and Chief Customer Officer at Eversource Energy, has published several articles on the topic. Her first article characterized AMPs as a “win-win” for consumers and utilities alike. She then explored how AMPs may positively transform the customer/business experience. More recently, she shares insight on best practices for designing an AMP. Her articles have received favorable responses from utilities and regulators, indicating that the time is ripe for consumer advocates to push for the development of AMP programs in their states.

NCLC stands by AMPs as a useful tool for low income consumers to manage their bills. In order for AMPs to succeed, they must be well integrated with other state programs that help low income people pay their energy bills, such as discount rates, fuel assistance payments, and energy efficiency programs. We are happy to work with advocates and policymakers interested in bringing AMPs to their state. For more information, contact NCLC attorney Charlie Harak at charak@nclc.org.

Comments to the FCC supporting the FCC’s proposed rule to stop unwanted robocalls for federal debt and urging even greater

protections

NCLC and 24 national and state organizations support the FCC’s proposed rule to stop unwanted robocalls for federal debt and urging even greater protections. Read more >>>

Paul Laurent, Director of Leadership Giving and Engagement

Paul Laurent is National Consumer Law Center’s Director of Leadership Giving and Engagement, working closely with major donors to increase support for NCLC’s activities through individual major gifts, cy pres awards, annual giving, planned giving, special events, law firm and corporate support, and direct mail appeals.

Prior to joining NCLC, Paul was Director of Development at NF Northeast, a rare disease patient advocacy organization. Paul has also held senior major gifts roles at United Way of Massachusetts Bay and Merrimack Valley, where he worked closely with senior executives in the financial, professional services and legal communities, and at the Animal Rescue League of Boston.

Paul also worked in business and academia for more than two decades in the United Kingdom. He holds a BA in International Relations from Tufts University and a Masters in International Studies from the University of Birmingham, England. Paul currently serves as an elected member to his town’s School Committee.

Steve Hurley, Chief Development Officer

Steve Hurley is the National Consumer Law Center's Chief Development Officer. He is responsible for leading NCLC's development team, which is focused on expanding the organization's impact on economic justice issues by increasing its annual and long-term support through a wide range of sources: individual giving and cy pres awards, foundation grants, conferences and events, planned giving and more. NCLC welcomes the support of all those who want to promote economic fairness and justice in our society.

Prior to joining NCLC, Steve was the Director of Strategic Development at the ACLU of Massachusetts from 2009-2016, where he led all fundraising and donor communication efforts and played a leading role in strategic planning and institutional advancement initiatives. Earlier in his career, Steve held a variety of senior management positions at the Boston-based direct marketing firm Share Group, Inc., where his non-profit and political clients included organizations like Oxfam America, the Southern Poverty Law Center, NAACP, Human Rights Campaign, EMILY's List, Obama for America, and the national ACLU. And (long) before that, he was a campaign manager and legislative aide for a Massachusetts State Representative, and an organizer, campaign director and member of the Board of Directors of the Massachusetts Public Interest Research Group.

Steve's passion for NCLC's complex work is informed by Sen. Elizabeth Warren's simple statement: "This country should not be run for the biggest corporations and largest financial institutions."

CFPB Proposes Strong Rules to Protect Payday Borrowers Yet Worrisome Loopholes Need Tightening

FOR IMMEDIATE RELEASE: JUNE 2, 2016 || Contacts: Lauren Saunders 202.595.7845; Jan Kruse 617.542.8010

(WASHINGTON) The Consumer Financial Protection Bureau (CFPB) has proposed rules that make a strong start in improving the protections for high-cost payday and installment loans, according to advocates at the National Consumer Law Center (NCLC). But the rules need to be tightened up to close loopholes, and state interest rate caps will remain important to protect families from high-cost lending.

“The CFPB has proposed the common-sense rule that lenders should only make loans that borrowers have the ability to repay without re-borrowing. The limits on repeat debits to borrower’s accounts are also important,” said Lauren Saunders, associate director of the National Consumer Law Center in Washington, DC, speaking on behalf of NCLC’s low income clients. “It is sad that we need a rule to get lenders to be responsible, but high-priced payday and installment loans shouldn’t generate profits while plunging families into an unaffordable debt trap. The CFPB’s proposal should make loans significantly safer as long as it is tightened to prevent evasions.”

However, the proposal has worrisome loopholes. Lenders could make up to three back-to-back payday loans and could start the sequence again after only 31 days. Longer term loans could also have balloon payments that trigger re-borrowing. “All loans should meet ability to pay requirements, and reborrowing in only 31 days indicates a debt trap,” Saunders explained.

The proposal covers not only two-week balloon payment payday loans, but also longer-term payday loans with installment payments. “High-priced longer term payday loans have the same features that make two-week loans a debt trap: Access to the borrower’s bank account, no underwriting for ability to pay, payments tied to payday, and a high, unaffordable cost that leaves families struggling to pay other expenses and exposed to overdraft fees,” Saunders explained.

“Longer term payday loans can be a longer-term debt trap. The devil is in the details, but effective protection requires robust up-front underwriting, tough limits on high defaults, rules against loan flipping, and limits on up-front fees,” she said.

The CFPB does not have the authority to impose interest rate caps, and state laws will remain important. “Even a strong CFPB rule will not prevent all dangerous loans, and state rate caps remain critical. A 36% interest rate cap is the simplest and most effective way of protecting families from unaffordable loans and giving lenders the incentive to ensure ability to repay,” Saunders said.

For more information on the National Consumer Law Center’s body of work on high cost loans, visit: https://www.nclc.org/issues/payday-loans.html.

NCLC Resources

- Report: Installment Loans: Will States Protect Borrowers from a New Wave of Predatory Lending?, July 2015
- Guidelines for Affordable Small Dollar Loans, January 2014
- Report: Why 36%? The History, Use, and Purpose of the 36% Interest Rate Cap, April 2013
- Report: Stopping the Payday Loan Trap: Alternatives that Work, Ones that Don’t, June 2010

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Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. www.nclc.org

Hurray! The FCC Modernized Lifeline! What You Need to Know

The Federal Communication Commission voted to modernize the Lifeline program on March 31, 2016. This was a monumental achievement for many advocates around the country who have worked for years to modernize this critical low-income communications subsidy program.

The Lifeline program was established in the mid-1980s to connect low-income households to emergency services, jobs, healthcare, teachers, friends and family through affordable phone service. The focus of Lifeline was on access to affordable local phone service and it didn’t cover those expensive long distance calls. Communications technology has evolved over the decades and today it is broadband that is dominant communications platform.

In modern life, access to broadband is as essential for access to opportunity as electricity was in the last century. As FCC Commissioner Clyburn noted, “Broadband is the greatest equalizer of our time.” For those with the resources to afford broadband service, broadband integration in modern life has been nearly ubiquitous. Internet access has transformed the classroom and FCC Commissioner Rosenworcel eloquently noted that the “homework gap” is the cruelest part of the digital divide. From access to jobs to access to healthcare, as more aspects of modern life move online, the harmful effects of digital exclusion increase. So it is a really big deal that the Lifeline program will now include broadband as a supported service. Hurray! Now it is time to roll up our sleeves and help prepare Lifeline subscribers for the changes that are coming.

Nuts and Bolts Guide to Lifeline Changes

This is a quick summary of some of the changes to the Lifeline program that Lifeline subscribers will need to know.

- What types of service are covered? Voice-only wireline and wireless; Voice and data bundles; Broadband internet service, both fixed and mobile.
- The FCC Order phases out support for voice-only Lifeline over 5 years, but voice service is still available as part of a voice and data bundled Lifeline option.
- The FCC established minimum standards for Lifeline voice, bundles and broadband service, effective December 1, 2016. ***Heads up for existing wireless Lifeline subscribers:*** The minimum standard for wireless voice starts at 500 minutes a month and will go up annually in phases until it reaches 1000 minutes a month – I’ll share details in a future blog post.
- Over the next three years, the Lifeline eligibility determination will be changing hands from the carriers to a National Verifier. Recertifications will also move to the National Verifier.
- Starting December 1, 2016, a different set of programs will qualify a household for Lifeline support: SNAP, Medicaid, SSI, Federal Public Housing Assistance, Veterans Pensions & Survivors Pension benefit, and the same suite of Tribal Programs that currently confer eligibility. Households may still qualify for Lifeline by demonstrating income at or below 135% of the Federal Poverty Guidelines.

Register for free webinars: The Universal Services Administrative Company (USAC.org) administers the Lifeline program and will implement these new program changes. USAC is sponsoring a series of free webinars on the new program. The next one is June 8. Register or view archived webinars.

There will be opportunities to weigh in and help with the implementation and outreach. Please stay tuned for more information. Congratulations and thank you, everyone. Rest up because we have a lot of good work ahead of us!

Broad Coalition of Advocates Urges Support for Comprehensive Consumer Credit Reporting Reform Act of 2016

FOR IMMEDIATE RELEASE: MAY 19, 2016 || NCLC's contacts: Chi Chi Wu (cwu@nclc.org) or Jan Kruse (jkruse@nclc.org); 617.542.8010

(BOSTON) A broad coalition of consumer, civil rights, labor, and community organizations issued a letter strongly urging members of the U.S. House of Representatives to support of H.R. 5282, the Comprehensive Consumer Credit Reporting Reform Act of 2016, introduced today by Congresswoman Maxine Waters.

Credit reports and credit scores are the gatekeeper for affordable credit, insurance, rental housing, and sometimes even a job. The reforms addressed in the bill are urgently needed in order to ensure that the American credit reporting system is accurate and fair to consumers..

In a 2012 study, the Federal Trade Commission found that 21% of consumers had verified errors in their credit reports, 13% had errors that affected their credit scores, and 5% had errors serious enough to be denied or pay more for credit.

"We applaud Congresswoman Waters for introducing a bill that will vastly improve the credit reporting system, and with it, the economic lives of millions of Americans," said National Consumer Law Center staff attorney Chi Chi Wu. "It reforms the broken dispute process, improves the accuracy of credit reports, repairs the credit of victimized homeowners and defrauded student loan borrowers, shortens the overly long time limits for negative information, provides free annual credit scores, severely restricts employment use of credit reports, tackles medical debt, cracks down on misleading marketing of credit monitoring products, and does so much more."

The coalition letter is available at: https://www.nclc.org/images/pdf/credit_reports/letter-support-for-waters-fcra-bill-may2016.pdf

H.R. 5282: legislation, an executive summary, and an extended summary

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Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.

Minding the Gap: Using the New Racial Wealth Audit to Measure the Impact of State and National Policies on the Racial Wealth Gap

Presenters: **Thomas Shapiro** (Director, Institute on Assets and Social Policy, The Heller School, Brandies University) and **Amy Traub** (Senior Policy Analyst, DEMOS)

Historical discrimination and the financial devastation of the Great Recession has led to extreme wealth inequality and a widening racial wealth gap between households of color and white households.
Advocates and policymakers seek to develop policies to build wealth and opportunity in households of color and close the gap.

Researchers from Demos and Brandies University's Institute on Assets and Social Policy have introduced a new tool – the Racial Wealth Audit – to evaluate the impact of various policies on the wealth gap between white, African-American, and Latino households.

This tool will help advocates assess policy proposals, assist in policy design, examine institutional reforms, and challenge narratives that purport to explain the main causes of racial inequality (e.g., personal responsibility, child-bearing, and excessive consumption).

Join Professor Tom Shapiro and Amy Traub of DEMOS for a discussion of this important new tool.

Download Recording

Download Presentation

Event Properties

Event Date	2016-05-19 14:00:00
Event End Date	2016-05-19 15:00:00

Cut off date0000-00-00 00:00:00

Henson v. Santander

The Supreme Court on June 12 in Henson v. Santander Consumer USA Inc., __ U.S. __, 2017 WL 2507342 (June 12, 2017) held that debt buyers are not covered under the FDCPA's second definition of debt collector because they do not collect debts owed to another. This webpage provides resources to consumer attorneys litigating cases against debt buyers whose principal business is buying defaulted debt.

This webpage will be updated as more materials become available. Please email henson@nclc.org with any submissions of relevant materials.

Articles Discussing Case Development

- Key Post-Henson Decision Holds Debt Buyer Is a "Principal Purpose" Debt Collector by NCLC attorney April Kuehnhoff, March 7, 2019
- FDCPA Coverage of Debt Buyers: Implications of Supreme Court's June 12 Ruling in *Henson* by NCLC attorney April Kuehnhoff, June 15, 2017.

Model Language for Henson Briefs

- Model brief by Edelman, Combs, Latturner & Goodwin, LLC attorney Daniel Edelman (doc) (pdf), June 21, 2017 (updated March 16, 2018)

Sample Complaints Against Debt Buyers

- McAdory v. M.N.S. & Associates, L.L.C., Case No. 17-cv-777 (D. Or.)

Sample Henson Briefing

- McAdory v. M.N.S. & Associates, L.L.C., Case No. 18-35923 (9th Cir.) (Opening Brief and Reply)
- *Barbato v. Greystone Alliance*, L.L.C., Case No. 18-1042 (3d Cir.)
- *Bueno v. Mel S. Harris and Associates*, LLC, et al., Case No. 1:16-cv-04737-WFK-VMS (E.D.N.Y.)
- *Chenault v. Credit Corp Solutions, Inc.*, Case No. 16-cv-5864 (E.D. Pa.)

- *McMahon v. LVNV Funding, LLC*, Case No. 12-cv-1410 (N.D. Ill.)
- *Mitchell v. LVNV Funding, LLC*, Case No. 12-cv-523 (N.D. Ind.) (Motion to Reconsider and Reply)
- Reygadas v. DNF Assoc., L.L.C., Case No. 18-cv-2184 (W.D. Ark.) (Amended Complaint and Opposition to Motion to Dismiss)
- *Schweer v. HOVG, L.L.C.*, Case No. 16-cv-1528 (M.D. Pa.)
- *Tepper v. Amos Fin., L.L.C.*, Case No. 15-cv-5834 (E.D. Pa.)
- *Tepper v. Amos Fin., L.L.C.*, Case No. 17-2851 (3d Cir.) (Barbato amicus)

Additional Resources

- Henson v. Santander Consumer USA Inc. Supreme Court Decision, June 12, 2017.
- National Association of Consumer Advocates (NACA) webinar: Henson v. Santander Consumer USA Inc., June 28, 2017. Cost: $40 (NACA member); $75 (Non-member). Note: Non-members of NACA must be vetted prior to purchasing. Please e-mail rebecca@consumeradvocates.org

SUPPORT OUR WORK NCLC depends on the support of attorneys, advocates and allies fighting for consumer rights and economic justice. In today's political environment, we need your help now more than ever!
To strengthen our work on issues like this and many more, please donate to NCLC's 2017 Consumer Rights Defense Fund today!

NCLC testifies at Senate hearing on TCPA and robocalls

FOR IMMEDIATE RELEASE: MAY 18, 2016 || NCLC's contacts: Jan Kruse (jkruse@nclc.org) or 617.542.8010; Margot Saunders (msaunders@nclc.org)

Surge in Invasive Robocalls Prompts Need for More Consumer Protections

(WASHINGTON) Today at 10 am EDT, the U.S. Senate Commerce committee will convene a hearing on "The Telephone Consumer Protection Act at 25: Effects on Consumers and Business." National Consumer Law Center attorney Margot Saunders will testify on the need to strengthen the Telephone Consumer Protection Act (TCPA) to better safeguard consumers from invasive robocalls and texts to consumer landlines and cell phones.

Saunders will give testimony on behalf of the National Consumers Law Center's low-income clients, Americans for Financial Reform, Center for Responsible Lending, Consumer Action, Consumer Federation of American, Consumers Union, National Association of Consumer Advocates, National Center for Law and Economic Justice, Public Citizen, and MFY Legal Services, collectively representing millions of consumers in the United States.

In her testimony, Saunders will note that in the first four months of 2016, consumer complaints to the FTC regarding unwanted robocalls spiked to an average 279,000 per month, which will produce more than 3.3 million complaints in 2016. And the 2.2 million complaints about unwanted calls last year was more than double the number of complaints in 2010. Consumers routinely complain about wrong number calls, continuing to receive calls after requesting that the company stop calling (nearly half of all calls in 2015), and abusive debt collection and telemarketing calls that consume time and cell phone minutes, pointing for the need to increase the protections in the TCPA.

The number of illegal calls is exponentially higher as only a small percentage of people will take the time to complain to the FTC and only one-tenth of one percent of those who complain actually file a lawsuit. The structure of the TCPA restricts lawsuits to those with a high volume of illegal calls because it does not provide for an attorney fee award even when the consumer prevails.

The TCPA is an essential privacy protection law: Congress passed the TCPA in 1991 to respond to the "voluminous consumer complaint abuses of telephone technology—for example, computerized calls dispatched to private homes." 25 years later, cell phones are ubiquitous and robocalls not only invade people's privacy but also raise important public safety concerns, including answering phones or checking text messages while driving. New technologies such as caller ID spoofing can lead to telemarketing scams, putting vulnerable populations, such as older consumers, at increased risk of financial abuse. Additionally, the increase in unwanted calls takes a disproportionate toll on low-income consumers, many of whom use pay-as-you go cell phone plans, and eats up limited minutes and stretched budgets.

"It is estimated that 35 percent of all calls placed in the U.S. are robocalls," said Saunders. "Although the TCPA offers some protections, the evidence shows that stronger enforcement of this federal law is essential to protect consumer privacy and public safety, and to prevent financial fraud and other abuses," said Saunders.

The National Consumer Law Center is a recognized expert on the TCPA. For more information, please visit: https://www.nclc.org/issues/robocalls-and-telemarketing.html.

Resources for the Press:

- Margot Saunders is available to speak with the press. To arrange an interview, please contact Jan Kruse at jkruse@nclc.org or 617.542.8010
- Consumers Union can connect reporters with consumers frustrated with being harassed by robocalls. Please contact Michael McCauley at mmccauley@consumer.org or 415.902.9537 (cell).
- Saunders testimony is available at: http://bit.ly/27vWXlV
- The U.S. Senate Commerce committee hearing will be held beginning at 10am EDT on May 18 in the Senate Russell Building 253. Witness testimony, opening statements, and a livestream will be available at: http://www.commerce.senate.gov/public/index.cfm/hearings?ID=7FDEF85E-BF1F-475C-BE3F-1E011EA5A909.

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Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.