

# Outlook

Spring 2007  
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NATIONAL CONSUMER LAW CENTER

Protecting  
Vulnerable  
Consumers  
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Promoting  
Marketplace  
Justice

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## Inside Outlook

AFFIL Campaign	1, 7
Military Loan Protections	1, 5
Debt Collection Reform	2
Bankruptcy	3
Countryman Winner	4
Older Consumers in Debt	5
New Forms of RALs	6
Student Loans	8
Amerquest Committee	8
NCLC Guides and Manuals	9
Building Campaign	10
Consumer Conference 07	12

## AFFIL Launches Public Awareness Campaign



NCLC Executive Director Willard P. Ogburn and AFFIL Campaign Manager Sarah Byrnes get a first look at publicity materials for AFFIL's awareness campaign.

To expose how the lending industry leads millions of unsuspecting Americans into a quicksand of debt, a national public awareness campaign is being launched by a new

organization, Americans for Fairness in Lending. Backed by a broad spectrum of advocacy organizations, AFFIL will shine the public spotlight on unscrupulous lending practices that

deceive consumers and drain precious assets.

"NCLC and other consumer groups have been fighting predatory lending for many years," said Willard P. Ogburn, executive director of NCLC and a member of the AFFIL board of directors. "But real reform will only occur after the curtain is pulled back on some of the lending industry's unsavory tactics. When people learn that all manner of predatory practices are perfectly legal, they will be outraged," said Ogburn.

Ogburn is optimistic about AFFIL's capacity to change the public dialogue on unfair lending and ultimately produce change. "It's wonderful to see how many organizations are participating in the (Continued on page 7)

## Interest Rates Capped, Mandatory Arbitration Banned

# NCLC Applauds Protections on Loans to Military

In a marvelous victory for consumers, a new federal law places a 36 percent interest rate cap on loans made to military service members. The law will cover consumer credit extended on or after October 1, 2007 to active duty members of the armed forces, including those on active Guard and Reserve Duty, and their dependents. Residential mortgages and "purchase money" loans secured by a car

or other personal property are not covered by the law.

Sponsored by U.S. Senators Jim

**"This is a groundbreaking law that highlights the need to curb the abusive lending practices that target every low-income community."**

*Lauren Saunders*

Talent (R-Mo.) and Bill Nelson

(D-Fla.), the legislation marks the culmination of years of hard work by NCLC and consumer and military groups to put an end to predatory lending practices aimed at low-paid enlisted service-members and their families.

"This is a groundbreaking law that highlights the need to curb the abusive lending practices that target every low- (Continued on page 5)

# NCLC Leads Effort to Reform Mass. Debt Collection Practices

## Debt Buyers Reap Huge Profits from Old Debts

NCLC is leading an effort to reform the debt collection process in Massachusetts. Robert Hobbs, deputy director, and attorney Charles Delbaum of NCLC are members of a small claims working group, run by the Massachusetts District Court, which is studying the system and will propose changes.

NCLC is also part of a coalition of consumer and legal organizations (including Greater

collectors to provide consumers adequate legal notice; lower the judgment interest rate against consumers; and strip local constables of the power to seize a consumer's car or other personal property.

"We're asking policymakers to put common sense safeguards in the system to protect consumers from the overbearing activities of the debt buyers and collectors. The status quo is just not acceptable," said Hobbs.

The sale of credit card debt to large debt-buying companies is the start of a long and complicated debt food chain, Hobbs explained. Many banks provide only minimal data when they sell accounts, and charge debt buyers a higher price to provide additional documentation. The resultant use of outdated addresses by a debt buyer often means that consumers get no notice that they have been sued.

A 2006 *Boston Globe* expose

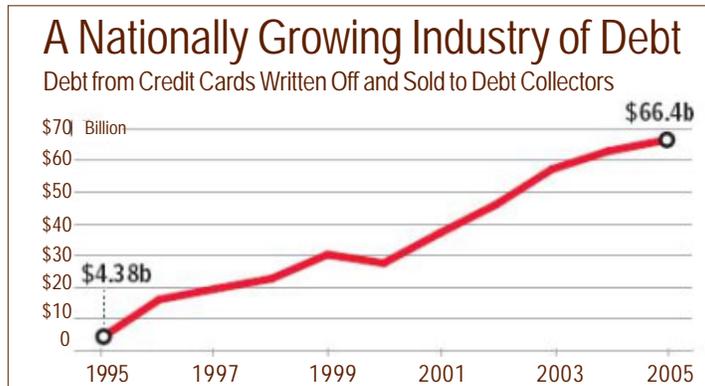
documented the plight of thousands of Massachusetts consumers sued each year by debt buyers. The series described a court system overwhelmed by lawsuits filed by debt collectors (sometimes filed against the wrong consumers, or against people who have already repaid a debt); a system where consumers frequently receive abusive treatment; and where outrageous fees can quickly balloon into a financial crisis.

The *Globe's* investigation found that between 2000 and 2005, professional collectors filed an estimated 575,000 lawsuits in Massachusetts – approximately one suit for every 11 state residents. The majority of those were filed as small-claims actions in the district courts, where debt collectors always have a pooled attorney and the consumers are almost never represented. The *Globe* series can be accessed (without registration) at [www.boston.com/news/specials/debt](http://www.boston.com/news/specials/debt).

**"We're asking policymakers to put common sense safeguards in the system to protect consumers from the overbearing activities of the debt buyers and collectors." Robert Hobbs**

Boston Legal Services, Massachusetts Law Reform Institute, the Massachusetts Public Interest Research Group, and the National Association of Consumer Advocates) that has developed a legislative proposal to fix the system.

Among other recommendations, the consumer coalition's proposal would seek to increase the amount of property and money that is exempt from debt collection to more reasonable levels; require



Reverend Robert F. Drinan

## NCLC Founder Dies

NCLC notes with sadness the death of Rev. Robert F. Drinan, the first Catholic priest to be elected to the U.S. House of Representatives, and who, while Dean of the Boston College Law School, was instrumental in the founding of NCLC. More recently, Drinan had been Honorary Chairman of NCLC's Partners Council, which provides leadership support to NCLC's fundraising and building campaign.

In the 1970s Drinan was one of the House's most principled congressmen, and human rights activists. "He was an exceptional leader, a man of conscience who followed and fought for his beliefs, even when they took him outside his traditional Jesuit confines," said Willard P. Ogburn, NCLC executive director.

"Father Drinan helped shape NCLC in its critical early years when we were sited at Boston College. We have much to remember and thank him for, and we deeply regret his passing," Ogburn added.

For more on Father Drinan visit our website [www.NCLC.org](http://www.NCLC.org)

# Supreme Court Taps Rao for Bankruptcy Expertise



John Rao at his desk amidst carefully organized stacks of plans for additional bankruptcy trainings, notes on his *pro bono* book, drafts of NCLC's bankruptcy manuals, and more.

U.S. Supreme Court Chief Justice John Roberts has appointed John Rao, NCLC staff attorney, to a three-year term on the Judicial Conference Advisory Committee on Bankruptcy Rules.

The Advisory Committee, whose agenda includes making recommendations to the Supreme Court for procedures to implement the 2005 bankruptcy act, is currently

**"The level of understanding and competency of attorneys using the new bankruptcy law is now quite high." John Rao**

working to finalize interim rules that have been in place since the law was enacted.

"This is a critical time for the Committee to make improvements or correct any problems associated with the interim

rules," said Rao. "My participation in the process gives NCLC an opportunity to provide input on the issues and rules that affect low-income consumers, those who most need bankruptcy relief."

Willard P. Ogburn, NCLC executive director, applauded Rao's appointment, "John is one of this country's most knowledgeable experts on bankruptcy law, particularly from the perspective of the individual consumer and client."

Rao's bankruptcy expertise has made him a national resource for attorneys struggling to help their clients understand and effectively use the new law. Since the law's enactment, he has criss-crossed the country helping to train more than 5,000 attorneys in its use.

NCLC, the National Association of Consumer Bankruptcy Attorneys, and other bank-

ruptcy and bar organizations have been successful in educating attorneys on the new law, Rao said.

"The level of understanding and competency of attorneys using the new bankruptcy law is now quite high," said Rao. "Many attorneys are now well prepared to litigate effectively for their clients."

Despite the overall competency of bankruptcy lawyers, Rao finds that many *pro bono* attorneys are hesitant to take on bankruptcy cases under the new law.

With the hope that it will ease any of their lingering concerns, Rao is working on a new bankruptcy guide, intended for Volunteer Lawyers Project and their attorney volunteers, and also helpful to private attorneys getting started in bankruptcy. This new guide, designed to work hand-in-hand with NCLC's *Consumer Bankruptcy Law*

and *Practice* manual, will provide hands-on, practice-oriented, helpful tips for attorneys representing clients in bankruptcies.

Funding for the new guide, expected to be completed this summer, is being provided by the American College of Bankruptcy and the Consumer Protection and Education Fund.

Rao expects additional congressional action on bankruptcy, particularly those aspects of the law which have driven up costs, denying access to the protections of the law for those most in need. "NCLC's job during this time will be to show how consumers are being hurt by some of the more problematic provisions of the law," said Rao.

"The new consumer counseling and education requirements, for example, are major pieces of the new bankruptcy law," said Rao. "They may affect how some consumers weigh the decision to file bankruptcy and how they navigate the bankruptcy system. It's rather remarkable that there has been almost no research on whether these courses are at all effective," he said.

The John H. and H. Naomi Tomfohrde Foundation and the George H. and Jane A. Mifflin Memorial Fund have awarded funding to NCLC to assess whether counseling requirements under the new bankruptcy law are helping consumers in any meaningful way. Under the grants Rao will review credit counseling and financial management courses being offered in Massachusetts and will share his findings with the United States Trustee and the general public.



Each year the National Consumer Law Center honors the accomplishments of an exceptional consumer attorney who, through the practice of consumer law, has contributed significantly to the well-being of vulnerable consumers.

Paul Bland is an exceptional leader and strategist in the fight to preserve access to justice; a skilled litigator with a number of extraordinary victories on behalf of consumers; and a mentor to many, helping us all to do better as we work to promote marketplace justice.

At our annual Consumer Rights Litigation Conference in November 2006 NCLC was most proud to honor F. Paul Bland, Jr. with the 2006 Vern Countryman Award.

See page 12 for how you can help identify this year's Countryman recipient.

“As a fierce litigator on behalf of low-income consumers, a passionate leader of the consumer advocacy community, and a devoted mentor to newer public interest lawyers, Paul is unmatched.” Michael J. Quirk, Leslie A. Bailey, Richard Frankel, Kate Gordon

# F. Paul Bland, Jr.

## 2006 Recipient

# Vern Countryman Award

*We share with you just a few of the many good words his colleagues have to say about Paul.*

“By spearheading the fight against enforcement of abusive BMA [binding mandatory arbitration] clauses and creating a litigation model for consumer lawyers to use in waging this fight, Paul has done at least as much as any consumer lawyer in the country to keep the courthouse doors open to consumers over the past decade. By successfully challenging BMA clauses that ban class actions and beating back sweeping federal preemption arguments, Paul has enabled consumers to continue holding major companies accountable under the law. And by stepping forward to challenge class action abuses when they arise, Paul has worked to ensure that

the class action device will continue to be available as a tool for holding companies accountable to consumers and the public.” Michael J. Quirk, Leslie A. Bailey, Richard Frankel, Kate Gordon

“The best of us keep our eyes on the prize. Love of airline food is not the reason Paul scampers around the country talking to advocates, building their capacity and their confidence. Love of late nights at the office is not why Paul spends more hours helping a less experienced lawyer write a brief than he would have spent writing it himself. Love of management is not why Paul constantly attends to the development of organizations that can fight the fight over the long haul. It’s love of winning, coupled with a general’s appreciation of strategy and tactics.

“The best of us know that there is no limit to the good we can do if we let someone else take the credit. I can, but will not, identify numerous cases that have been won because of Paul’s ideas and Paul’s words, and, with Paul’s blessing, without a mention of Paul’s name. It’s a mark of generosity and a tribute to his devotion to the cause.” John Vail

“He has truly extraordinary legal acumen. He also is extraordinarily productive. I think that, in these respects, he is the sharpest of all the consumer advocate attorneys I have known. He thinks, practices, and advocates on the highest legal plane, the level at which judges constantly think about setting policy and running the country, and not merely about applying the law to particular cases.” Bernard E. Brown

## Former Countryman Recipients

Irv Ackelsberg  
Gail Hillebrand  
Dan Hedges  
Joanne Faulkner  
Lynn Drysdale  
Richard Rubin

Kathleen Keest  
Alan Alop  
David Ramp  
Elizabeth Imholz  
Jim Sturdevant  
Pat Sturdevant

Mike Ferry  
Bill Brennan  
Carolyn Carter  
Margot Saunders  
Henry Sommer

# Help Wanted: Older Consumers in Debt Have Few Counseling Options

Despite soaring levels of credit card debt among seniors, credit counseling services for elders have not kept pace. According to a new report from NCLC, *Finding Help for Older Consumers with Credit Card Debt*, there are surprisingly few places to which seniors can turn for financial guidance and help.

“While the elder debt crisis is growing, resources for tackling the problem are lagging behind,” said Deanne Loonin, the report’s author and NCLC staff attorney. “Elders need to find good financial assistance as soon as possible — with older populations there’s little margin for error. But right now there are too many gaps in assistance that’s targeted to seniors.”

The report surveys the major elder assistance organizations and their consumer services for seniors with credit card debt. Although in some states agencies use innovative programs to help older consumers understand finances and debt and to provide help for those who get into trouble, comprehensive debt and credit-related programs for older consumers

are more the exception than the rule. Many agencies neither offer financial services directly nor make appropriate referrals.

The report gives recommendations on how agencies can improve support services for seniors with debt.

“Creativity, coordination, and innovation are essential to building programs that help older consumers throughout the debt cycle,” says Loonin. “Although no single agency can meet all these needs, each can do more to recognize problems, develop programs to address them, and coordinate with other agencies in their communities. There is too much at stake not to try.”

**“While the elder debt crisis is growing, resources for tackling the problem are lagging behind.” - Deanne Loonin**

The report is the second in a two-part series, *The Life and Debt Cycle*. Part one, *The Implications of Rising Credit Card Debt among Older Consumers*, describes how elders are using expensive credit to pay for basic needs like groceries, prescription drugs, and urgent home repairs.

Both reports were made possible by a grant from the Retirement Research Foundation.

# Groundbreaking Law Curbs Predatory Lending to Military

(Continued from page 1)  
income community,” said Lauren Saunders, managing attorney of NCLC’s Washington, D.C. office. Saunders and NCLC played a leading role in drafting the substantive protections that were included in the bill.

NCLC’s work on the issue dates

by payday and other predatory lenders to exert control over their borrowers: it bans rollovers and refinancing by the same lender, check holding, allotments of military paychecks, auto title lending, access to a servicemembers’s bank accounts, and prepayment penalties.

## Cost of Payday Lending to US Military

Yearly cost of abusive payday lending fees nationally:  
**\$5.5 billion**

Percentage of payday borrowers who are active-duty military:  
**1.5% (estimate)**

Yearly cost of abusive payday lending fees to active-duty military:  
**\$82.5 million**

Source: Center for Responsible Lending (2005)

to the late 1990s when military officials grew concerned about payday lending outlets that were gathering around military bases. In 2003, NCLC published *In Harm’s Way – At Home: Consumer Scams and the Direct Targeting of America’s Military and Veterans*, which was the first report to call public attention to the problem of high-cost lenders targeting military borrowers.

One of the bill’s most significant provisions is its ban on mandatory arbitration clauses in loans to the military. It is a landmark victory in the fight against unfair arbitration clauses that strip consumers of their most basic rights.

The law also forbids several practices that have been used

As required by Congress, the Department of Defense is preparing to issue regulations under the new law. NCLC will play an active role in the rulemaking process, which is likely to be contentious. The banking industry did not receive an exemption from the law’s provisions and has been vocal in its criticism of the bill’s consumer protections.

For its part, NCLC hopes to see a new wave of consumer-friendly legislation. “The problems that our soldiers are having with abusive credit brought this issue national attention, but you only have to drive around any other community of low-income families to see that civilians are being exploited as well,” said Saunders.

**National Consumer  
Litigation Conference  
November 8-11, 2007  
Washington, DC**

Info at [www.NCLC.org](http://www.NCLC.org)

# New Forms of Refund Anticipation Loans Impose Taxing Burdens on Consumers

For many low-income workers, the stress of tax filing season starts long before April 15th. Tax preparers hawk high-cost, high-risk loans – Refund Anticipation Loans (RALs), to be repaid from expected tax refunds – as early as November or December. While the IRS is working to get refunds into taxpayers' hands faster, RAL lenders are trying to hook in borrowers even sooner.

In a recent report, *Pay Stub and Holiday RALs: Faster, Costlier, Riskier in the Race to the Bottom*, staff at NCLC and Consumer Federation of America document two new forms of RALs. Holiday RALs promise quick cash for consumers to buy seasonal gifts, and pay stub RALs offer loans in January, based on estimated tax refunds from

**Nearly 10 million Americans took out RALs in 2005, forking out over a billion dollars in interest and fees.**

year-end pay stubs, before taxpayers receive their W-2 forms for filing tax returns.

“While fast, these loans are also expensive and risky, draining Earned Income Tax Credit refunds from the pockets of low-income workers,” said Chi Chi Wu, NCLC staff attorney and co-author of the report.

Fees for pay stub RALs add to the drain posed by tax-time loans on consumers' tax



Chi Chi Wu

refunds and EITC benefits, in some instances translating into triple-digit APRs. In addition, pay stub RAL loan agreements from one commercial preparer chain force a borrower to return to the same tax preparer to file his tax return that year. This expensive dependency keeps the borrower from using cheaper or free tax preparation services. And once the tax refund arrives, it might be smaller than originally expected, or even frozen. Struggling to pay off the pay stub RAL, the consumer is burdened with unmanageable debt instead of benefiting from the tax refund.

Fortunately, more consumers have been steering clear of RALs lately. The number of RALs fell by more than 20 percent in the 2005 filing season, according to another NCLC and CFA report, *One Step Forward, One Step Back: Progress Seen in Efforts Against High-Priced Refund Anticipation Loans, but Even More Abusive Products Introduced*. Despite this improvement, nearly 10 million Americans still took out RALs in 2005, forking out over a billion

dollars in interest and fees. Taxpayers received these expensive RALs an average of only one to two weeks before receiving their refunds – which they could have gotten for free.

NCLC is warning consumers to avoid all types of RALs this tax season. “Quick tax refund loans are almost always an unnecessary product,” said Wu. “These loans take a chunk out of your hard-earned tax refund and put you at risk of burdensome debt if your refund doesn't arrive as planned.” She recommends that low-income taxpayers use free tax preparation services, such as Volunteer Income Tax Assistance, AARP's Tax-Aide, or IRS Free File, to file taxes electronically, get a quick refund, and eliminate the need for an RAL.

Both RAL reports are available online at [www.NCLC.org](http://www.NCLC.org)

## Lax Cy Pres to Help NCLC

Attorney Robert I. Lax of New York has directed a \$206,974 cy pres to NCLC as part of a Fair Debt Collection Practices Act case against Credit Bureau Enterprises.

“We are absolutely delighted to receive this generous award,” said Willard P. Ogburn, executive director of NCLC. “These funds will be used to vigorously defend low-income consumers who are exploited in the marketplace,” he said.

## Recent Cy Pres Donors

We extend special thanks and appreciation to the following people who have recently directed cy pres and court awarded funds to NCLC:

Barry Altman  
Stacy M. Bardo  
O. Randolph Bragg  
Brian L. Bromberg  
Mark A. Chavez  
Joanne Faulkner  
Joel Feldman  
Ronald Frederick  
Suzanne Garrow  
Colman M. Herman  
Edwin Howard  
Bryan Kemnitzer  
Will Kennedy  
Robert I. Lax  
Joseph Mauro  
Niall P. McCarthy  
David J. Philipps  
Lance A. Raphael  
John Roddy  
Donald A. Yarbrough

For information on directing a cy pres to NCLC please contact Willard P. Ogburn or Rich DuBois, 617 542-8010.

“Directing this cy pres to NCLC was an absolute pleasure,” said Lax. “Its combination of expertise, resource materials, and exceptional advocacy have placed it at the center of the consumer law community,” said Lax. “No organization has done more to promote consumer justice on behalf of the poor,” he added.

*Court Awards* have enabled NCLC to support a growing network of consumer attorneys across the country, as well as engage in advocacy redressing consumer abuses and defending bedrock consumer protection statutes.

# AFFIL Spotlights Unscrupulous Lending

(Continued from page 1)

campaign, and we'll continue to reach out to new groups as the campaign progresses. To be successful this must be a broad-based effort," he said.

Started as a project of NCLC and now an independent nonprofit organization, AFFIL was launched on March 6, 2007 at an event in New York featuring authors Elizabeth Warren and Barbara Ehrenreich. The AFFIL campaign coincides with the theatrical release of the acclaimed documentary feature (and accompanying book) *Maxed Out: Hard Times, Easy Credit, and the Era of Predatory Lenders*. Written and directed by James Scurlock, *Maxed Out* mixes comic absurdity and human tragedy as it examines the ways in which current

lending practices are wreaking havoc upon the lives of ordinary Americans.

"What the film brings to light so vividly is how deregulation of the lending industry has created a new economic debt model – one that makes high-risk borrowers more profitable targets for banks, mortgage lenders, and credit card companies than customers who are safe bets to pay their loans back," said Kirsten Keefe, executive director of AFFIL. "This is why we see credit card companies aggressively soliciting college students with little or no income, and struggling homeowners are bombarded with loan offers – at dangerously high interest – on their home equity, to cite just two examples," she said.

Throughout the spring AFFIL and *Maxed Out* will hold joint film screenings, town hall type meetings, and book signings in cities across the country, including New York, Washington, D.C., Boston, Chicago, Los Angeles, San Francisco, and Seattle.

The AFFIL website - [www.affil.org](http://www.affil.org) - will be a comprehensive resource for consumer lending issues. It will provide facts about predatory lending and suggest ways consumers can help change the lending landscape in America. It will also offer a space for consumers to share their stories as borrowers, and will provide information about AFFIL itself for the general public and the press.

Funding for the development and launch of AFFIL has been provided by generous grants from the Annie E. Casey Foundation and the Ford Foundation.

## AFFIL Partners

- ACORN
- California Reinvestment Committee
- The Center for Community Change
- The Center for Responsible Lending
- CFED
- Community Reinvestment Association NC
- Consumer Federation of America
- Consumers Union
- Demos
- National Association of Consumer Advocates
- National Consumer Law Center
- Neighborhood Economic Development Advocacy Project
- United Professionals
- U.S. PIRG
- Woodstock Institute

## NCLC Expands Expert Witness Services

NCLC has expanded its expert witness services with Margot Saunders, Of Counsel to the Center, providing the highest level of expertise and consultation on consumer law issues. The breadth of experience of Saunders and our other NCLC consumer law specialists, and our access to resources not widely accessible allow us to offer assistance not available elsewhere.

Saunders is available to provide expertise on a wide range of issues, including:

- |                            |                                 |                                   |
|----------------------------|---------------------------------|-----------------------------------|
| Predatory mortgage lending | Forensic consumer case analysis | Credit math                       |
| Consumer contract analysis | Servicing issues                | Electronic transactions           |
| Open end credit issues     | Debt collection                 | General banking and credit issues |

Saunders, former managing attorney of NCLC's Washington office, is experienced in a broad range of consumer law issues, having authored several books on consumer law, and provided expert analysis to congressional committees and federal agencies on many occasions. Saunders was a member of the Federal Reserve Board's Consumer Advisory Council, where she co-chaired the Consumer Credit Committee during her tenure, and the American Water Works Association Public Advisory Forum.

Before joining NCLC in 1991, Saunders was the consumer specialist for North Carolina Legal Services, and the recipient of NCLC's Vern Countryman Award, an annual award recognizing the nation's best consumer law attorneys for their outstanding advocacy on behalf of low-income consumers.

For more information on our expert witness services, call Saunders at our Washington office, 202 452-6252, extension 104.

# New Website to Educate on Student Loans

For more students than ever before, the pursuit of higher education means going into debt. Many are weighed down by student loan payments long after receiving their degrees, and are forced to defer major investments like buying a home or saving for retirement. And for people struggling with student loan problems, it can be surprisingly hard to get high-quality advice.

To help demystify the student loan process and empower borrowers, NCLC has received a grant from the Institute for College Access and Success in support of the Student Loan Borrower Assistance project.

Under the direction of staff

attorney Deanne Loonin, the project will feature a first-of-its kind website for student loan borrowers. With an expected launch date of spring 2007, the site will focus on helping borrowers who are already in trouble. Over time, it will also include information to help prevent the worst problems. The site will offer self-help consumer education information, resources where borrowers can seek additional help, and federal and state resources where borrowers can go to register complaints.

As part of the project, NCLC will advocate for the rights of student loan borrowers in various policymaking forums.

# NCLC Co-Chairs Ameriquest Committee

NCLC has been appointed co-chair of the Individual Claims Steering Committee in multi-district litigation against Ameriquest Mortgage Co., one of the nation's largest subprime lenders. Along with Dan Blinn of the Consumer Law Group, NCLC will coordinate the interests of plaintiffs that have filed individual lawsuits against Ameriquest. Gary Klein of Roddy, Klein & Ryan; Kelly Dermody of Loeff Cabraser; and Jill Bowman of James, Hoyer, Newcomer & Smiljanich are co-lead counsel responsible for the class actions.

In 2006 state attorneys general and lending regulators in 49 states and the District of Columbia reached a \$325 million settlement with Ameriquest, to resolve allegations that the lender defrauded and misled consumers. Numerous other individual and class action lawsuits against Ameriquest are on-going and have been consolidated into one multi-district proceeding in a Chicago federal court.

“Our role is to help coordinate the individual plaintiffs into a cooperative entity that can enjoy litigation economies of scale, including broader access to discovery and streamlined briefing,” said Charles Delbaum, the NCLC attorney who is serving as co-chair of the Individual Claims Steering Committee. “We’ll be responsible for coordinating the views of individual plaintiffs and working to present a consensus

position of those plaintiffs,” he said.

Homeowners have charged the California-based Ameriquest with engaging in a host of systemic predatory lending practices. For example, borrowers allege that Ameriquest routinely engaged in classic bait and switch tactics, resulting in higher loan fees and interest rates than those they had agreed to when they negotiated to refinance their homes, often to pay off household debts.

A mediator has been appointed to try to resolve the claims of the class members. Individual cases may also be mediated, but the parties have yet to agree where and how the mediation would occur.

Delbaum reports that Ameriquest has so far agreed to suspend foreclosure actions for borrowers who exercise their rights to rescind their mortgages under the federal Truth in Lending Act. Hundreds of foreclosures have been averted and about 40 are now on general hold, at least temporarily, due to the pending litigation.

## Item-pricing Settlement Award Presented to NCLC



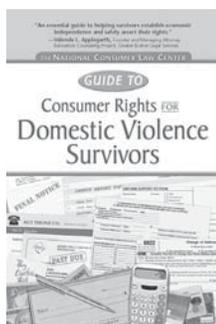
Attorneys Edwin Howard and Barry Altman present a \$50,000 check to NCLC's Stuart Rossman in December 2006. The award resulted from a settlement with Circuit City over alleged violations of the state's item pricing regulations.

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It's simple, convenient, secure  
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NCLC's advocacy.

## New NCLC Guide

# Consumer Rights for Domestic Violence Survivors



NCLC recently released the *NCLC Guide to the Consumer Rights of Domestic Violence Survivors* (284 pp.). Abuse survivors have financial as well as physical and emotional concerns—they may be left with no income, a stack of unpaid bills, a ruined credit rating, and the harassing calls of a debt collector. These financial

stresses may lead to their return to the abuser or vulnerability to predatory loans and other ripoffs. This guide gives survivors practical and precise advice, helping survivors get back on their feet financially and safely establish their economic independence. Topics include:

- ▶ The effect of the abuser's credit history
- ▶ Joint debts and credit cards
- ▶ Bank accounts
- ▶ Identity theft by the abuser
- ▶ Using civil protection orders for economic redress
- ▶ Victim compensation funds
- ▶ Child support
- ▶ Quickie foreign divorce scams
- ▶ Driver licenses and address confidentiality
- ▶ Utility bills, student loans, loans to avoid, and much more.

The guide was made possible with support from the Consumer Protection and Education Fund of the state Attorneys General. Five thousand copies have been provided free of charge to legal services offices and non-profits working with domestic violence survivors. All additional orders require a \$15 payment. Order securely on-line at [www.consumerlaw.org](http://www.consumerlaw.org) or call 617-542-9595. Call about quantity discounts.

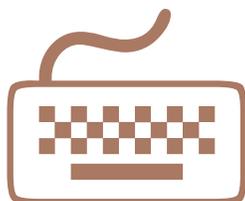
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## NCLC Advocates for Owners of Manufactured Homes

Manufactured homes provide needed housing for low-income and elderly families, especially in rural areas. In most states, however, the ground can virtually be knocked out from under a manufactured home if the park owner decides to convert the park to another use.

“Throughout much of the country, manufactured home residents are doubly at risk. They are vulnerable not only to mass eviction, but also to the sudden loss of their biggest asset – their homes,” said NCLC Project Director Odette Williamson. Right of first refusal laws and notice laws – although existing in only a few states – grant some protections

for residents whose communities go up for sale.

“If more states adopted right of first refusal policies, it would help manufactured housing residents build wealth and retain their homes as assets,” said Williamson.

NCLC is launching a two-year project to help increase the asset-building potential of manufactured housing. Grants from CFED's Innovations in Manufactured Homes Initiative and from the Fannie Mae Foundation will help NCLC to develop recommendations for stronger state policies, both in residents' right of first refusal and the legal treatment of manufactured homes as real estate.

## Keep Current with NCLC Manuals

NCLC has released this winter's Updates to nine of our legal manuals:

- Fair Credit Reporting** (6th ed. 2006) with CD-Rom
- Consumer Bankruptcy Law and Practice** (8th ed. 2006) with CD-Rom
- Student Loan Law** (3d ed. 2006) with CD-Rom
- Consumer Law Pleadings on CD with Index Guide 2006**
- Foreclosures 2006 Supplement** with CD-Rom
- Repossessions 2006 Supplement** with CD-Rom
- Truth in Lending 2006 Supplement** with CD-Rom
- Consumer Arbitration Agreements 2006 Supplement** with CD-Rom
- Unfair and Deceptive Acts and Practices 2006 Supplement** with CD-Rom
- and Consumer Law in a Box December 2006** (Two CD-Rom Set).

For more information, visit [www.consumerlaw.org](http://www.consumerlaw.org) or contact the NCLC Publications Department at (617) 542-9595.

## Levy and McCarthy Join Partners

# NCLC Building Campaign Fast Tracks to \$3.1 Million

NCLC friends and supporters have quickly stepped forward in support of the Center's capital campaign, so far raising \$3.1 million in funds to buy a building to house NCLC's Boston office.

"We're not done yet," said Bryan Kemnitzer, chairman of the Partners Council which is leading the building campaign. "Far from it. The more money we raise to buy and rehab a building, the less we'll have to borrow - and the more funds NCLC will be able to devote to advocacy."

## Partners Adds Two Members

NCLC welcomes two stellar members to its NCLC Partners Council. Arthur D. Levy of Levy, Ram & Olson, San Francisco; and Niall P. McCarthy of Cotchett, Pitre & McCarthy, San Francisco, will add their expertise and talents to the Council which is successfully guiding NCLC's capital campaign and related fundraising activities.

Levy has more than 25 years experience in business and financial services litigation. He has served as lead counsel for consumers in class actions and unfair business practices in the financial services area, including cases against Mercury Insurance Group,

Infinity Insurance Company, Eastwood Insurance Services, IKON Business Solutions, Xerox, and Bank of America.

McCarthy, who has frequently been recognized as one of the country's top attorneys, was selected by the *National Law Journal* for its "40 under 40" list of "some of the most successful young litigators in America." In 2006 he was named a fellow by the American Bar Association. He is an expert in class actions in fraud, consumer rights and other areas, and has been lead class action counsel in several national and state settlements that returned hundreds of millions of dollars to consumers.

Other Partners include: Roy E. Barnes, Bernard E. Brown, James L. Brown, Elizabeth J. Cabraser, Sheila Canavan, Mark A. Chavez, William H. Crowder, Michael D. Donovan, Timothy E. Eble, Cary L. Flitter, Robert S. Green, Kathleen E. Keest, Bryan Kemnitzer, William M. Krieg, Robert I. Lax, Seth R. Lesser, Michael P. Malakoff, John T. Murray, John Roddy, Howard Rothbloom, and James C. Sturdevant.

*For more information on the capital campaign, call Suzanne Cutler at 617 542-8010, or visit [www.nclc.org](http://www.nclc.org).*

# NCLC Welcomes New Staff



Debbie Parziale (right), longtime NCLC office manager, helps newcomer Tammy Graves (left) get acclimated to her new position as Administrative/Technical Assistant. Graves brings to NCLC strong skills in the IT industry, including many years at Gillette. We're pleased to have her with us!

## Jurgens Joins Advocacy Staff

Rick Jurgens, who joined NCLC in early February, is a former newspaper reporter for the *Contra Costa Times* in California, where he covered mortgage lending, banks, deregulation, utilities and related topics.

He has also written for *Dow Jones* and the *Valley News* in New Hampshire.

"Rick is adding new skills and perspectives to our advocacy which will make NCLC's work even better," said Willard P. Ogburn, NCLC executive director, in welcoming him.

Jurgens was a community activist before graduating from Harvard College, and getting



Rick Jurgens

his Masters at Boston University.

## NCLC Rates High in Fiscal Responsibility

NCLC has been awarded a four-star rating for sound fiscal management by Charity Navigator, one of the country's premier charity evaluators. This exceptional rating reflects NCLC's ability to efficiently manage and grow its finances. To look at the complete rating, see [www.charitynavigator.org](http://www.charitynavigator.org).

Dear Colleagues:

I hope you read OUTLOOK's front page story on Americans for Fairness in Lending. It's an organization I expect you'll hear much about in the months ahead as it works to raise public awareness of predatory lending and our current crisis of personal debt. We hope a groundswell of public outrage at the abuses of today's credit and lending practices will follow, and lead to a more equitable regulation of the lending industry.

NCLC takes special pride in AFFIL - we nurtured it from a few shared ideas and convictions among staff members alarmed by the growth of predatory lending, to today's reality of an independent organization with a sharpened vision of a message campaign to bring fairness to lending.

There was a time when those at NCLC who worked on the idea were not certain they could make it happen, but they kept at it, over time adding support from a growing group of colleagues and organizations, critical funding, and a committed staff. The goal of bringing fairness back to lending was too important to give up on.

I applaud and thank everyone who helped AFFIL become a reality. Welcome, AFFIL, we're glad to have your help in the fight to stop predatory lending.

Willard P. Ogburn  
Executive Director

## NCLC Staff

**Carolyn Carter**, Deputy Director for Advocacy

**Alys Cohen**, DC Office, Attorney

**Eleanna Cruz**, Administrative Assistant

**Suzanne Cutler**, Development Director

**Nathan Day**, Editorial Assistant

**Charles Delbaum**, Attorney

**Richard DuBois**, Development Director

**Tammy Graves**, Administrative/ Technical Assistant

**Shannon Halbrook**, Publisher's Assistant

**Charles Harak**, Attorney

**Megan Harrington**, Publications Assistant

**Robert Hobbs**, Deputy Director

**John Howat**, Energy Advocate

**Danijela Jankovic**, Assistant to Director of Finance

**Rick Jurgens**, Consumer Advocate

**Margaret Kohler**, Director of Finance

**Svetlana Ladan**, Operations Manager

**Denise Lisio**, Supervising Legal Editor

**Deanne Loonin**, Attorney

**Ava Morgenstern**, Development Assistant

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**John Rao**, Attorney

**Elizabeth Renuart**, Attorney

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**Lauren Saunders**, DC Office, Managing Attorney

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**Eric Secoy**, Legal Editor

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**Stacy Smith**, Customer Services Manager

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**Dorothy Tan**, Legal Editor

**Diane Thompson**, Of Counsel

**Tara Twomey**, Of Counsel

**John Van Alst**, DC Office, Attorney

**Olivia Wein**, DC Office, Attorney

**Shirron Williams**, DC Office, Office Administrator

**Odette Williamson**, Attorney

**Donna Wong**, Publications Director

**Chi Chi Wu**, Attorney

## NCLC Partners Council

### Leadership for NCLC

Chair: Bryan Kemnitzer  
Roy E. Barnes  
Bernard E. Brown  
James L. Brown  
Elizabeth J. Cabraser  
Sheila Canavan  
Mark A. Chavez  
William H. Crowder  
Michael D. Donovan  
Timothy E. Eble  
Cary L. Flitter  
Robert S. Green  
Kathleen E. Keest  
William M. Krieg  
Robert I. Lax  
Arthur D. Levy  
Seth R. Lesser  
Michael P. Malakoff  
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## Outlook

OUTLOOK, a publication of the National Consumer Law Center, is intended to inform our supporters about the Center's advocacy and fundraising activities.

For additional information on NCLC or to be placed on the OUTLOOK email list, write or email:

National Consumer Law Center  
OUTLOOK

77 Summer Street, 10th Fl.

Boston, MA 02110

[scutler@nclc.org](mailto:scutler@nclc.org)

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# NCLC in Action

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Message Campaign  
Countryman Winner  
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and More!

## Nominate the Next Countryman Winner

Each year NCLC presents the Vern Countryman Award to an attorney whose special contributions to the practice of consumer law have strengthened and affirmed the rights of low-income Americans. Winners include some of the most highly regarded consumer advocates in the country and we welcome your help in identifying a worthy candidate for this year's award.

If you know of an outstanding attorney who is deserving of this recognition, please email Suzanne Cutler for information on the nomination process (SCutler@NCLC.org) or look on our website at [www.NCLC.org](http://www.NCLC.org).

Our guidelines are simple: the nominee must have demonstrated excellence in working on low-income consumer or energy issues for at least 10 years; or, recently obtained legal relief through judicial, administrative, or legislative action which benefitted a large number of low-income consumers.

*For more on the Countryman Award, see page 4.*

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