

Defusing Debt:

A Survey of Debt-Related Civil Legal Aid Programs in the United States

June 2016

By

April Kuehnhoff and Cherie Ching
National Consumer Law Center[®]

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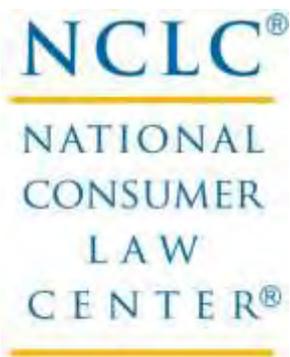
ABOUT THE AUTHORS

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ACKNOWLEDGEMENTS

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ABOUT THE NATIONAL CONSUMER LAW CENTER

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 exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness. www.nclc.org

EXECUTIVE SUMMARY

Civil legal aid organizations provide critical front-line services for low-income and elderly people across the country facing debt collection activity. Debt collection is a pervasive part of life in the United States. In 2014, 12 million adults had non-mortgage debts reported as past due on their credit reports and 77 million consumers had non-mortgage debts in collections.¹ Encore Capital Group, Inc., one of the nation's largest debt buyers, claims that 20% of US consumers either owe it money currently or have owed it money in the past.²

Debt collectors contact American consumers more than a billion times a year³ and millions of individuals are sued on consumer debts every year.⁴ The overwhelming majority of debt collection lawsuits result in default judgments against consumers⁵ despite the fact that they may have legitimate defenses.

Studies show that being represented by counsel in debt collection lawsuits dramatically improves outcomes for consumers,⁶ including increasing the likelihood that the case will simply be dismissed.⁷ Having access to legal advice can also play a critical role in alerting consumers to their rights even if they are not being sued on the debt. Moreover, consumers without access to affordable legal services may turn to predatory debt relief scams for assistance,⁸ often with disastrous financial results.

Only very rarely, however, do consumers have access to legal help when responding to debt collectors. Studies show that between 91 and 99% of consumers are unrepresented by an attorney when they are sued on a debt.⁹ This is hardly surprising, since inflation-adjusted federal funding for legal aid for low-income families peaked in 1980 and has declined drastically ever since.¹⁰ Nationally, because of lack of resources, legal aid programs must turn away more than half of the eligible people who seek their assistance.¹¹

With such limited resources to address the massive volume of debt collection activity, civil legal aid programs are challenged to step up their debt defense services for low-income and elderly clients, and to do so in ever more efficient and innovative ways. In order to better understand the work that these organizations are doing to serve some of the nation's most vulnerable consumers, the National Consumer Law Center (NCLC) developed this survey to gather data about what kind of representation organizations

provided to clients who are being contacted or sued by debt collectors, debt buyers, or creditors.

Significantly, this survey found that 94% of organizations listed the lack of funding or staff as a challenge in their debt defense work.

Sixty-four organizations completed our comprehensive survey based on data from 2015. Survey results indicate that:

- On average, organizations handled 382 non-mortgage cases, 158 mortgage cases, and 138 bankruptcy cases in 2015;
- 62% of organizations said that credit card debt was the most common type of debt;
- 91% of organizations provided pre-litigation services, 98% provided litigation services, 100% provided post-judgment services, and 69% provided bankruptcy services;
- 84% of organizations file affirmative claims against debt collectors, debt buyers, or creditors;
- 79% of organizations brought claims under the Fair Debt Collection Practices Act (FDCPA) and 75% brought claims under state consumer protection statutes;
- 50% of organizations engaged in legislative, regulatory, or court rule reform efforts;
- 34% percent of organizations partially self-funded their debt defense work through fee-shifting statutes or client payments; and

This report highlights the important work that these 64 organizations are doing as a way to assist other organizations around the country in evaluating whether and how to offer and improve debt defense services. For organizations looking to start providing debt defenses services or expand their existing debt-related work, this report spotlights innovative approaches and includes a list of selected resources in Appendix B and a list of organizations that completed the survey in Appendix C.

SURVEY RESULTS

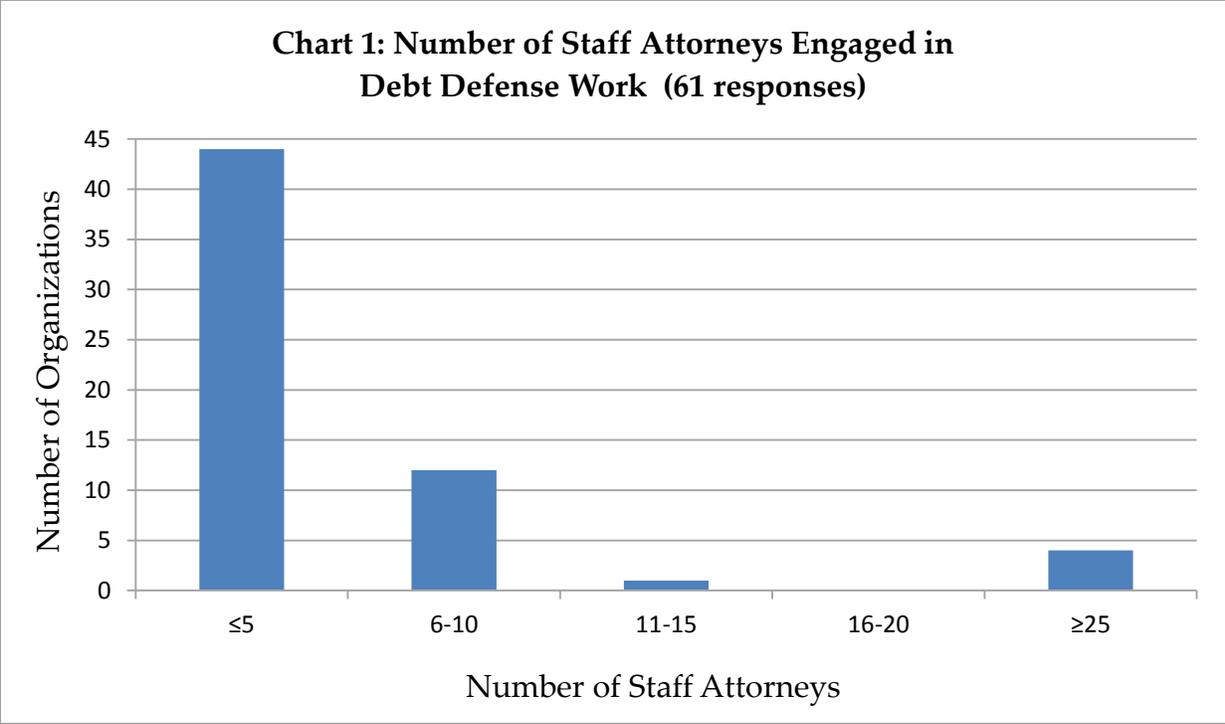
64 civil legal aid organizations completed the survey.¹² The map below depicts the geographic distribution of responding organizations. The 170 organizations contacted for this survey included at least one organization in each state, but 20 states were unrepresented in the survey responses.¹³

Image 1: Geographic Distribution of 64 Survey Respondents



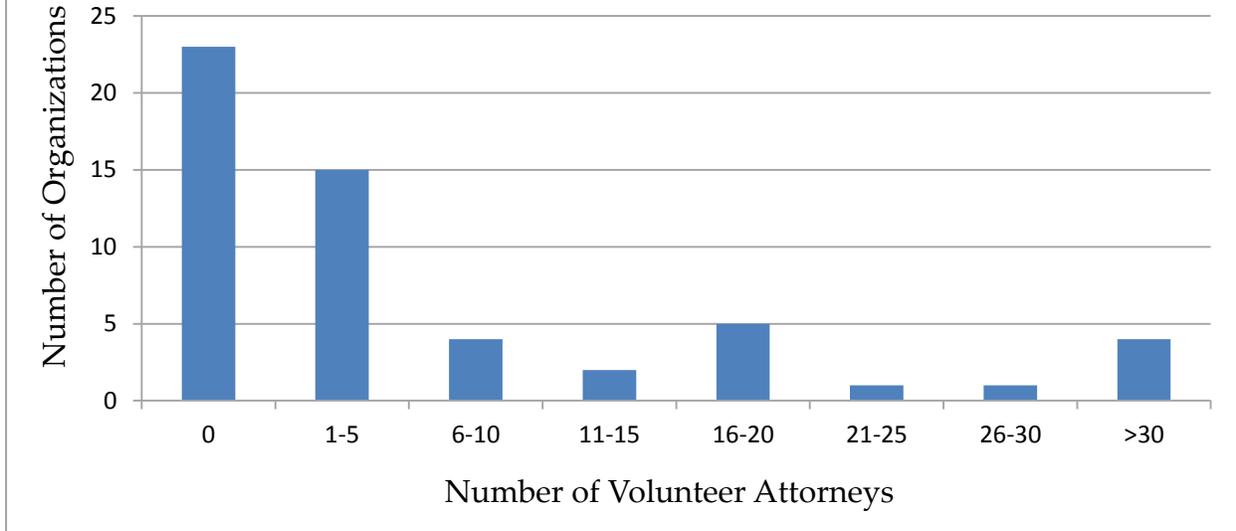
Number of Staff Attorneys, Volunteer Attorneys, and Law Students

72% of organizations had five or fewer staff attorneys engaged in debt defense work in 2015 while 7% of organizations had 25 or more attorneys spending a portion of their time working on debt defense cases.



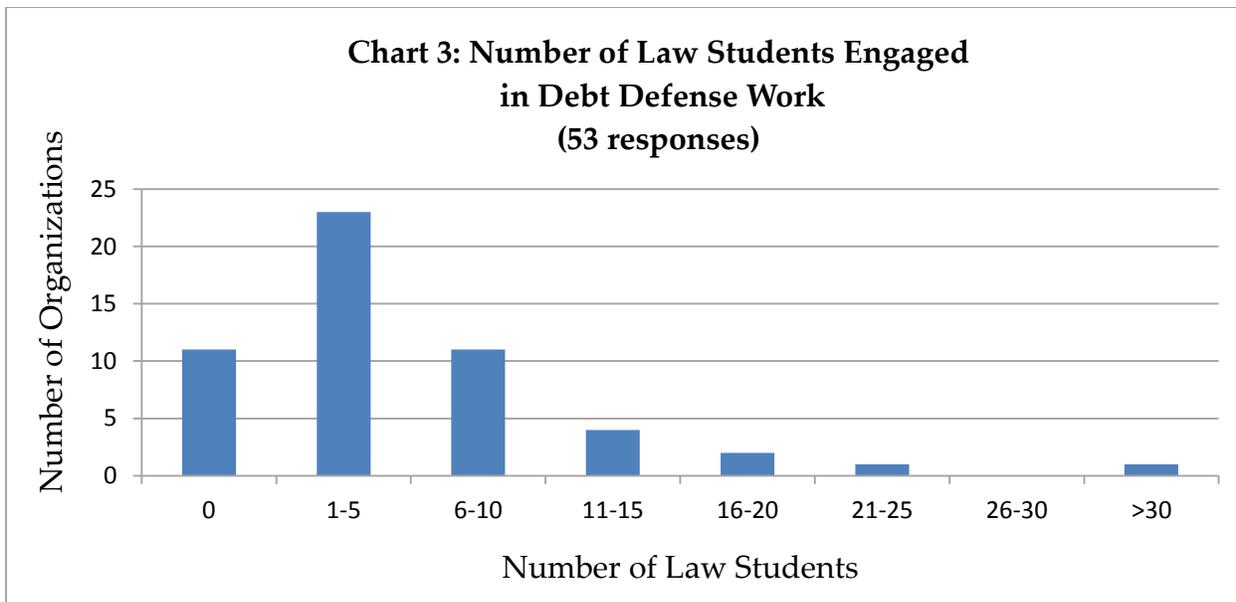
58% of respondents had at least one volunteer attorney assisting with debt defense services in 2015, 27% of respondents had one to five volunteer attorneys, 7% had more than 30 volunteer attorneys, and one organization reported working with 200 volunteer attorneys in 2015. Another organization reported that in its rural area, it was challenging to recruit pro bono attorneys for debt defense work because private attorneys frequently have conflicts of interest due to their representation of creditors.

**Chart 2: Number of Volunteer Attorneys Engaged
in Debt Defense Work
(55 responses)**



79% of respondents reported assistance from law school students. Responses ranged from 43% of organizations with one to five law students in 2015 to one organization with 75 law students. Organizations identified frequent turnover by law students as a challenge to working with student volunteers.

**Chart 3: Number of Law Students Engaged
in Debt Defense Work
(53 responses)**



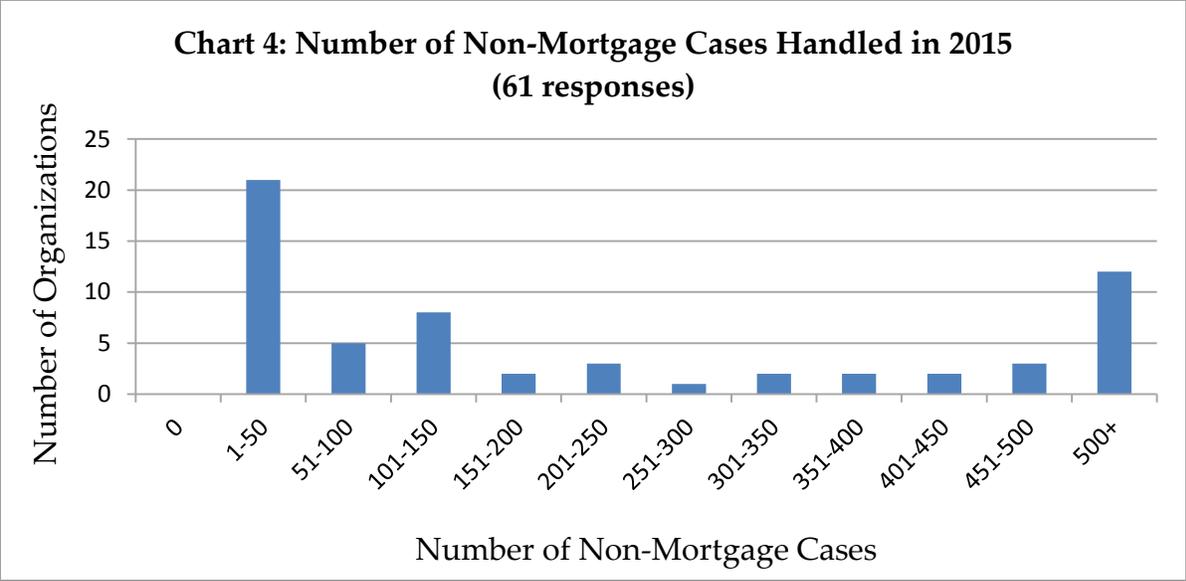
Number of Debt Defense Cases

Organizations specified the number of debt defense cases they work on in 2015, indicating the number of mortgage/foreclosure cases, non-mortgage consumer debt cases, and bankruptcy cases. Non-mortgage consumer debts include credit card debt, medical debt, student loans, cell phone debt, automobile debt, etc.

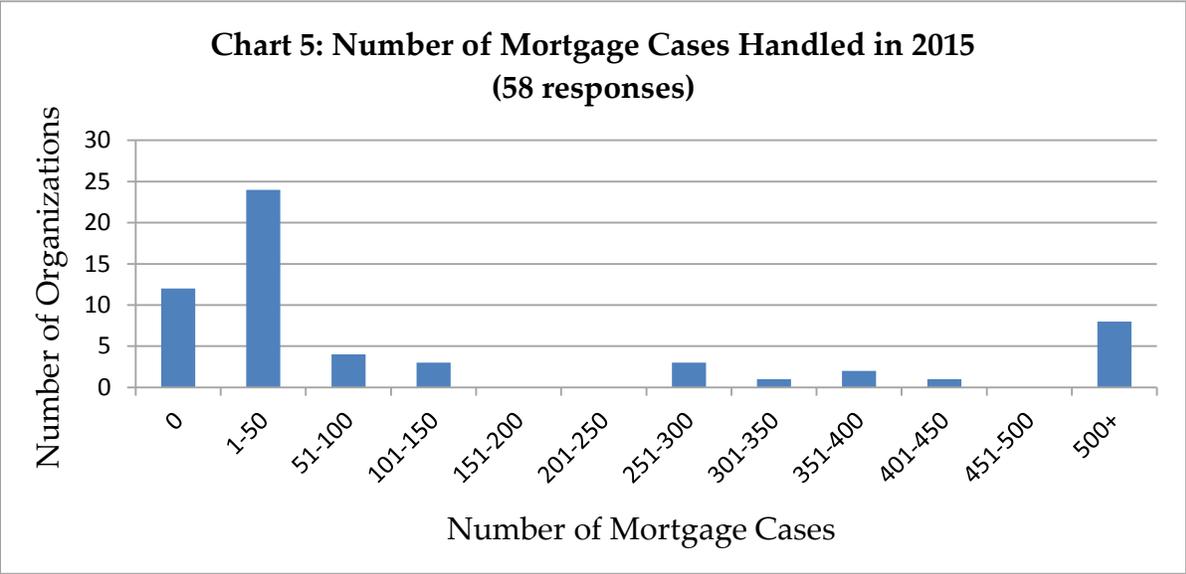
The range of responses is captured in Charts 4 - 6. The large variation in the number of debt defense cases handled is likely due to a number of different factors, including:

- differences in the types of debt defense services provided (e.g. organizations providing limited advice or representation can help a greater volume of clients than organizations providing primarily full service representation),
- differences in the amount of resources required for different types of litigation (e.g. class actions compared to individual litigation); and
- the resources that an organization allocates to debt defense work (e.g. staff attorneys, support staff, time, money to attend trainings, etc.).

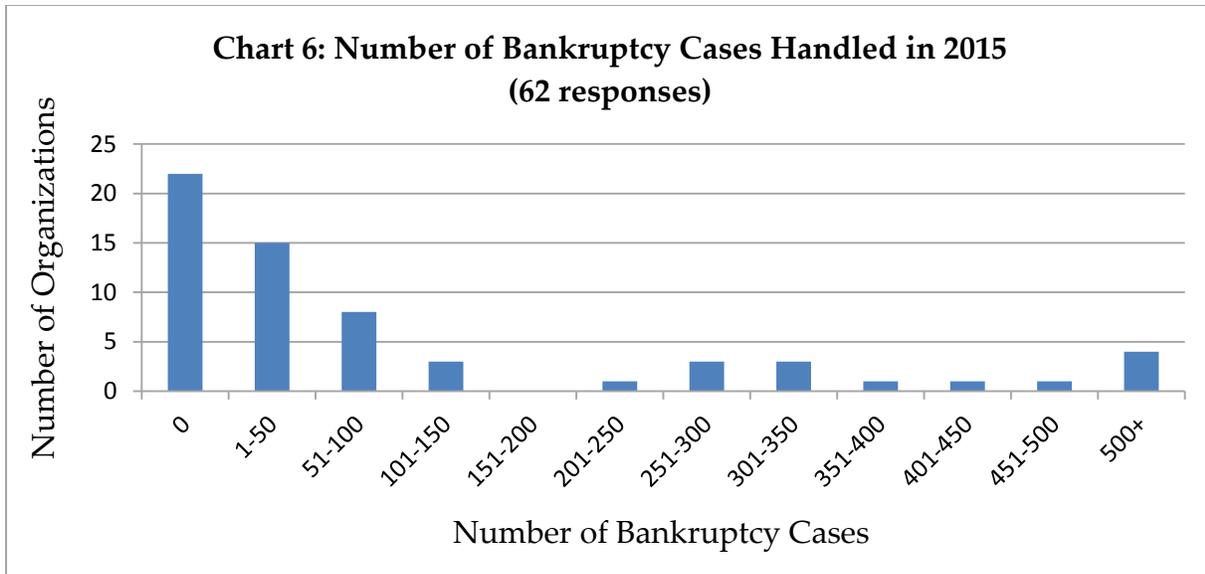
34% of organizations handled 1-50 non-mortgage consumer debt cases in 2015. 19% handled more than 500 non-mortgage cases. No organizations reported handling zero non-mortgage debt cases, but this may reflect selection bias in survey participation. Organizations doing mortgage or bankruptcy work but not active in other areas of debt defense may have been less likely to complete a survey about debt defense.



41% of organizations handled 1 to 50 mortgage cases in 2015, 21% of respondents handled no mortgage cases in 2015, and 14% handled more than 500.



35% of organizations handled no bankruptcy cases in 2015, 24% handled 1 to 50 bankruptcy cases, and 6% handled more than 500.



At the high end, one organization with a practice focused on limited representation, advice, pro se materials, and referrals, reported handling 5,257 non-mortgage cases and 1,080 mortgage cases. Another organization providing a mixture of full representation, group workshops, pro se materials, and referrals worked on 2,049 bankruptcy cases in 2015. For each category, the mean and median are reported in Table 1.

Table 1: Mean and Median Number of Non-Mortgage, Mortgage, and Bankruptcy Debt Defense Cases Handled by Organizations in 2015

	Non-Mortgage Cases	Mortgage Cases	Bankruptcy Cases
Mean	382	158	138
Median	150	24	21

Types of Debt

The survey asked respondents about the types of debts their programs addressed. Each type of debt featured in the survey was handled by more than 75% of the organizations, suggesting that most organizations handled a variety of types of debts. However, a few organizations specialize in certain types of debt defense work. For example, one respondent specializes in medical debt defense work while another focuses exclusively on utility and student loan debt defense.

94% of organizations handled credit card issues in 2015, 90% handled medical debt, 89% handled debts arising from consumer loans, 87% handled student loans, 87% handled vehicle loans or leases, and 83% handled mortgage debts. Slightly lower percentages handled home utility debts, telecommunications debts, and personal debts such as cable service and gym memberships.

Table 2: Types of Debt Defense Cases Handled by Organizations

Type of Debt	Number of Organizations	Percent (of 63 Responses)
Credit card	59	94%
Medical	57	90%
Consumer loan (payday, installment, title, or pawn)	56	89%
Student loan	55	87%
Vehicle loan or lease	55	87%
Mortgage	52	83%
Home utilities (gas, electric, water, sewage, etc.)	51	81%
Telecom utilities (cell or home phone, internet, etc.)	48	76%
Personal (cable, gym membership, etc.)	48	76%

In addition to the categories provided in the survey, organizations listed the following types of debts that they handled in 2015: rental arrears, court debt, state agency benefit overpayment, mortgage guarantee reimbursement, non-loan school collections, personal loans, manufactured homes, home improvement, storage units, uninsured motorist claims, vacuum cleaner sales, and alarm contracts.

Organizations also ranked the types of consumer debt cases they handle from most to least common. These rankings showed that credit card debt was the most common type of debt handled by survey respondents, with 62% of organizations ranking it first and 89% ranking it in the top three most common debt cases handled by their office. Mortgage debt was ranked first by 17% of organizations, with 38% ranking it in the top

three. 41% of respondents ranked medical debt in their top three, compared to 38% for vehicle loan or lease, and 35% for consumer loans.

In addition to the categories provided in the survey, two organizations ranked rental arrears cases among their top three most common types of consumer debt cases.

Table 3: Most Common Types of Debt Defense Cases Handled as Ranked 1-3

Type of Debt	Rank		
	1	2	3
Credit card	39	12	5
Mortgage	11	8	5
Medical	2	12	12
Vehicle loan or lease	2	9	13
Consumer loan (payday, installment, title, or pawn)	2	10	10
Student loan	2	6	7
Home utilities (gas, electric, water, sewage, etc.)	1	3	4
Telecom utilities (cell or home phone, internet, etc.)	0	2	2
Personal (cable, gym membership, etc.)	0	0	2

Pre-litigation Services

Ninety-one percent of organizations provide legal services to clients with consumer debt in collections prior to the filing of any lawsuits on those debts. The most commonly provided pre-litigation services were preparing cease communication letters, providing information about exempt income or assets, and assisting with disputing debts. In addition to the different types of pre-litigation services listed in Table 4, one organization noted that it provides clients with tax advice about cancelled debt.

Table 4: Type of Pre-litigation Services Provided by Number and Percent of Organizations Providing Each Service

Type of Pre-litigation Services	Number of Organizations Providing This Service	Percent (of 64 Responses)
Preparing cease communication letters	50	78%
Information about exempt property/income	50	78%
Assistance disputing debts	47	73%
Contacting credit reporting agencies to remove/correct information	38	59%
Negotiating with creditors	33	52%
Foreclosure prevention	33	52%
Consumer credit counseling	16	25%

Spotlight: The private law firm **Ropes & Gray** runs a pro bono clinic for homeless women at Rosie’s Place in Boston, Massachusetts.¹⁴ This clinic focuses on providing assistance to clients with debt issues pre-litigation.

Spotlight: Through funding from a cy pres award and the state attorney general’s office, **Indiana Legal Services, Inc.** partners with financial coaches located at neighborhood centers in Indianapolis to proactively identify which of the financial coach’s clients could benefit from legal services and then collaborate to ensure that the financial coaching and legal services are coordinated. In addition to providing individual services, financial coaches and attorneys team up to provide regular educational events for the general public.

Spotlight: The **Legal Aid Society of the District of Columbia** works with a certified financial coach that was placed in its office through the Consumer Financial Protection Bureau’s Financial Coaching Initiative. Staff attorneys can refer clients to this in-house resource for help pulling credit reports, budgeting, managing debt, or assistance addressing other financial needs or goals.

Litigation Services

In 2015, 98% of organizations provided litigation services to clients who were sued on a debt. 92% of organizations provided full representation and 67% provided either limited representation in court (e.g. assistance from a lawyer at a single court hearing whose representation starts and ends on that day without any ongoing commitment to represent the client) or out of court (e.g. one-on-one meeting with an attorney to draft pleadings or discovery without any ongoing commitment to represent the client).

Table 5: Type of Litigation Services Provided by Number and Percent of Organizations Providing Each Service

Type of Litigation Services	Number of Organizations Providing this Service	Percent (of 64 responses)
Full representation	59	92%
Pro se advice or consultation	53	83%
Provided written educational materials	45	70%
Either in-court or out-of-court limited representation	43	67%
In-court limited representation	30	47%
Out-of-court limited representation	38	59%
Pro se materials	37	58%
Screening and referral services	35	55%
Group workshops	18	28%

Spotlight: The **Brooklyn Bar Association Volunteer Lawyers Project** assists clients with drafting pleadings and represents clients in court using a limited representation lawyer for the day model where an attorney will enter an appearance just for that day without any ongoing obligation to represent the client in the case. Form pleadings and memos developed and shared between legal services programs and pro se forms provided by the court system greatly increase the number of clients that can be served.

Affirmative Claims

In addition to defending clients in litigation, 84% of organizations file affirmative claims against debt collectors, debt buyers, or creditors, with 76% of organizations bringing counterclaims when their clients are sued on a debt and 54% filing separate litigation in state or federal court. One organization that did not file affirmative claims refers these cases out to a special panel of private attorneys. Another organization indicated that it only brought affirmative claims with co-counsel.

Table 6: How and Where Affirmative Claims Are Filed, by Number and Percent of Organizations

How Affirmative Claims are Filed	Number of Organizations	Percent (of 63 responses)
File <i>either</i> counterclaims when clients are sued on a debt or file separate affirmative cases in <i>either</i> state or federal court	53	84%
File counterclaims when clients are sued on a debt	48	76%
File separate affirmative cases in <i>either</i> state or federal court	34	54%
File separate affirmative cases in <i>both</i> state and federal court	21	33%
File separate affirmative cases in state court	26	41%
File separate affirmative cases in federal court	29	46%

The data does not indicate the frequency with which organizations pursue affirmative claims related to debt defense cases. However, five organizations stated that affirmative claims are rare. Two organizations stated that they hoped to file more affirmative claims in 2016.

78% of organizations indicated that they brought affirmative claims under the Fair Debt Collection Practices Act, and 73% of respondents said that they brought claims under state consumer protection statutes. In addition to the claims listed in the survey, organizations also stated that they brought the following additional affirmative claims:

Electronic Fund Transfer Act, Federal False Claims Act, Real Estate Settlement Procedures Act, contract claims, and constitutional claims.

Table 7: Type of Affirmative Claims Filed by Number and Percent of Organizations

Type of Affirmative Claims	Number of Organizations	Percent (of 63 responses)
Fair Debt Collection Practices Act	49	78%
State consumer protection statutes	46	73%
State debt collection statutes	36	57%
Truth in Lending Act	26	41%
Fair Credit Reporting Act	22	35%
Tort claims	16	25%
Telephone Consumer Protection Act	5	8%

Post-judgment Services

In 2015, 100% of organizations provided post-judgment services. Of these, 91% assisted in defending against wage or bank account garnishment, repossession, levies, or other collection methods, 83% assisted debtors in asserting exemptions, 80% represented debtors post-default, and 69% represented debtors at post-judgment legal proceedings. 56% provided all four of these types of post-judgment services.

Table 8: Type of Post-judgment Services Provided by Number and Percent of Organizations Providing Each Service

Type of Post-judgment Services	Number of Organizations Providing this Service	Percent (of 64 responses)
Defending against wage/bank account garnishment, repossession, levies, or other collection methods	58	91%
Assistance with asserting exemptions	53	83%
Representation post-default (e.g. setting aside judgment)	51	80%
Representation at post-judgment legal proceedings	44	69%

Spotlight: CARPLS in Cook County, Illinois runs a Collection Advice Desk located inside the courtroom to provide advice and referrals to pro se consumers and creditors who appear on the daily post-judgment collection call. Self-help services include a variety of standard collection defenses that clients present orally in court during their hearing. The defenses are written on color-coded cards that clients read from while presenting their defense to the court (the color of the card also signals to the judge what defense the client is presenting). CARPLS attorneys also assist with written motions. The Desk assists with about 2,400 cases per year and refers out approximately 60 more complex cases for direct representation by partner organizations. CARPLS attorneys also screen cases for FDCPA claims, which are referred to a private attorney panel for representation.

Bankruptcy Services

For clients with numerous debts, bankruptcy may represent the most effective debt defense strategy. 69% of organizations indicated that they provided some type of bankruptcy services, with 59% providing full representation in Chapter 7 bankruptcies and 33% providing full representation in Chapter 13 bankruptcies. Six organizations that did not provide full representation in Chapter 7, Chapter 13, or student loan hardship discharges provided some other type of bankruptcy-related service to clients.

Table 9: Type of Bankruptcy Services Provided by Number and Percent of Organizations Providing Each Service

Type of Bankruptcy Services	Number of Organizations Providing this Service	Percent (Out of 64)
Full Representation- Chapter 7	38	59%
Screening and referral services	30	47%
Providing written educational materials	27	42%
Pro se advice or consultation	27	42%
Full Representation- Chapter 13	21	33%
Limited Representation (In-Court or Out-of-Court)	14	22%
Pro se materials	14	22%
Full Representation in student loan hardship discharge adversary proceeding	12	19%
Group workshop or pro se clinic	9	14%

Spotlight: The Legal Aid Society of Cleveland has a multi-faceted bankruptcy program that includes: direct representation by staff attorneys, focused on clients at or below 140% of federal poverty guidelines; representation by pro bono attorneys who are trained and mentored by staff attorneys for clients between 140 and 200% of federal poverty guidelines; and a “bankruptcy by-pass project” for judgment proof clients who need assistance stopping harassment from creditors and debt collectors.

Spotlight: The Volunteer Lawyers Project (VLP) in Boston, Massachusetts screens clients at lawyer-for-the-day clinics in local small claims and district court sessions to determine if they need bankruptcy services. Recognizing that clients often have difficulty compiling the documents needed to apply for its bankruptcy assistance program, VLP holds Bankruptcy Clinics at its office and in community centers to help clients obtain all the documents they need in order to file for bankruptcy. Once files are complete, clients that qualify for assistance are referred to pro bono counsel who represent them in Chapter 7 and Chapter 13 filings.

Spotlight: The Western District of New York Bankruptcy Court routinely encourages pro se Chapter 7 and 13 bankruptcy filers to seek the assistance of The **Legal Aid Society** of Rochester, New York, to amend schedules or assist with conversions when required.

Other Legal Services

In addition to the types of services previously discussed, 73% of organizations provided at least one of the “other” types of legal services listed in Table 10. 50% of respondents engage in legislative, regulatory, or court reform efforts, 48% handle appellate work, 30% represent clients in mediations or arbitrations, and 16% file class action lawsuits. One reason that fewer organizations engaged in legal reform and class action work is that organizations that receive Legal Services Corporation (LSC) funding are limited in the types of lobbying work they can engage in and prohibited from engaging in class action representation.

Table 10: Other Types of Legal Services Provided by Number and Percent of Organizations Providing Each Service

Other Types of Legal Services	Number of Organizations Providing this Service	Percent (of 64 responses)
Legislative, regulatory and/or court reform efforts (e.g. court rules, notices, forms, etc.)	32	50%
Appellate representation	31	48%
Representation in mediation or arbitration proceedings	19	30%
Class action representation	10	16%

Spotlight: **Texas RioGrande Legal Aid, Inc.** has a project to assist domestic violence survivors with economic advocacy as a result of damaged credit and coerced debt. Abusers will often damage the survivor's credit without the survivor's knowledge or by fraud or duress. This project includes a range of activities, such as providing education

programs for domestic violence survivors and social workers, disputing debts, and representing clients in litigation.

Spotlight: **MFY Legal Services, Inc.** in New York City engages in class action representation in addition to other types of debt-related affirmative litigation. Class actions, such as the landmark settlement in the *Sykes v. Mel Harris and Associates*,¹⁵ can provide relief to hundreds of thousands of consumers harmed by abusive debt collection practices.

Spotlight: The **Public Law Center** in Santa Ana, California uses targeted appeals to try to develop the law on chain of title and evidentiary issues related to the use of declarations in lieu of presenting evidence owned by the original creditor. Favorable appellate decisions on these issues would benefit numerous debt defense cases in their jurisdiction that present the same issues.

Funding

Organizations indicated the funding source or sources available to them for their debt defense programs. 68% of organizations listed foundation grants or individual gifts as a source of funding for debt defense work while 69% listed some form of government funding. 34% percent of organizations partially self-fund their debt defense work through fee-shifting statutes or client payments.

Organizations also listed Interest on Lawyers Trust Accounts (IOLTA) and awards from Department of Justice or Attorney General consent orders as other sources of funding.

Table 11: Types of Funding Used for Debt Defense Work by Number and Percent of Organizations Using Each Type of Funding

Type of Funding	Number of Organizations	Percent (of 62 responses)
Foundation grants or individual gifts	42	68%
State funding	35	56%
Federal funding	34	55%
City/County funding	20	32%
Cy pres awards	18	29%
Self-funded through fee-shifting statutes	17	27%
Law school/university funding	14	23%
Self-funded through client payments	4	6%

Spotlight: The **Legal Aid Society of San Diego** has generated attorney fees through its Debt Collection Lawsuit Clinics. Located at the courthouse, the clinic operates by asking clients to return at each stage of litigation. At each meeting, staff attorneys or volunteers draft the appropriate pleadings, with a focus on pinning down the facts through aggressive discovery. When cases do proceed to trial, staff attorneys or volunteers file limited appearances to assert the defenses in court. This work can identify strong cases that creditors continue to litigate in face of clear exculpatory evidence, at times allowing for attorney fees recovery for the organization.

Challenges

The most widely shared challenge facing organizations assisting families struggling with debt-related cases was “lack of funding or staffing,” which was reported by 94% of organizations. Insufficient funding was followed closely by “laws, regulations, or court rules and procedures” and “illegal or unethical debt collection practices by opposing counsel or client,” which were each listed as challenges by 92% of respondents.

Table 12: Type of Challenges Encountered in Debt Defense Work by Number and Percent of Organizations that Confront Each Challenge

Type of Challenge	Number of Organizations	Percent (of 62 responses)
Lack of funding or staffing	58	94%
Laws, regulations, or court rules and procedures	57	92%
Illegal or unethical debt collection practices by opposing counsel or client	57	92%
Anti-debtor bias from judge, magistrates, or court personnel	51	82%
Favoritism to debt collector	48	77%

Organizations also ranked the types of challenges from most to least common. 60% of organizations listed the lack of funding or staff as the greatest challenge in their debt defense work and 81% of organizations ranked this as one of their top three challenges. Laws, regulations, or court rules and procedures that do not adequately protect consumer debtors was the second most common challenge identified, and anti-debtor bias from judges, magistrates, or other court personnel was third.

Table 13: Most Common Types of Challenge as Ranked 1-3 by Organizations

Type of Challenge	Rank		
	1	2	3
Lack of funding or staffing	37	8	5
Laws, regulations, or court rules and procedures	9	20	12
Anti-debtor bias from judge, magistrates, or court personnel	7	11	16
Illegal or unethical debt collection practices by opposing counsel or client	5	15	12
Favoritism to debt collector	4	5	12

In addition to the types of challenges listed in the survey, organizations raised a number of additional challenges, including:

- clients are unfamiliar with their rights;
- magistrates are not attorneys and do not understand defenses;
- clients lack documents and other evidence to support defenses;
- too few private attorneys in the area represent clients in debt defense cases;
- lack of training or experience by staff attorneys;
- debt collection attorneys who are not familiar with state law; and
- overwhelming workload of judges/magistrates assigned to hear debt defense cases.

APPENDIX A

SURVEY METHODOLOGY

To learn more about legal services programs, nonprofits, and law school clinics representing clients in matters involving consumer debts, NCLC first compiled a list of organizations in the United States that Harvard Law School's HELIOS database¹⁶ reported to be working in either "bankruptcy/debt" or "consumer" law. After conducting additional research, NCLC determined that 170 of these organizations appeared to be doing some form of debt defense work.

NCLC developed a survey to ask about debt defense services in 2015 and directly emailed it to contacts at each of the 170 organizations. Information about the survey was also posted on a listserv for attorneys doing debt defense work and another for legal services attorneys.

APPENDIX B

SELECTED RESOURCES FOR NONPROFIT DEBT DEFENSE PROGRAMS

Program Design

- **Claudia Wilner** at the **National Center for Law and Economic Justice** is available for collaboration, including advice and consultation with organizations looking to start providing debt defenses services or expand their existing debt-related work. Contact: wilner@nclej.org.

Training Materials

- **Pro Bono Bankruptcy Training Program Material:** The **National Consumer Law Center** provides free materials to help pro bono programs, legal services programs, local bar associations, and other organizations offer high-quality trainings for volunteer attorneys on representing consumers in bankruptcy cases. (<http://www.nclc.org/issues/pro-bono-bankruptcy-training-program-material.html>)

Listservs

- The **National Association of Consumer Advocates** hosts a variety of listservs for consumer attorneys, including state specific and subject area specific listservs. (Membership is required to participate.) (<http://www.consumeradvocates.org>)
- The **National Association of Consumer Bankruptcy Attorneys** hosts a listserv for consumer bankruptcy attorneys. (Membership is required to participate.) (<http://www.nacba.org/>)
- The **National Consumer Law Center** hosts listservs on debt policy, debt settlement, bankruptcy, student loans, and other topics. (<http://lists.nclc.org/>)
- Law school **consumer law clinical programs** have a listserv. Contact Mary Spector at the SMU Dedman School of Law at mspector@mail.smu.edu.

Legal Manuals

Consumer law publications from the **National Consumer Law Center** are available online at: www.nclc.org/bookstore. Civil legal aid organizations are entitled to a discount when purchasing the full set of publications. For details, email publications@nclc.org. Relevant manuals for debt defense practices include:

Litigating Debt Defense Cases

- Collection Actions

Bankruptcy

- Bankruptcy Basics
- Consumer Bankruptcy Law and Practice

Specific Types of Debts

- Access to Utility Service
- Foreclosures and Mortgage Servicing
- Repossessions
- Student Loan Law

Affirmative Claims Arising from Debt Collection

- Fair Debt Collection

Resource for Non-Attorneys

- Guide to Surviving Debt

APPENDIX C

DIRECTORY OF RESPONDING ORGANIZATIONS*

This Directory is provided as a tool for organizations wishing to connect with other debt defense programs in their state or around the country.

*2 of the 64 organizations that responded to this survey asked to be excluded from this directory.

ALABAMA

*University of Alabama School of Law-
Civil Law Clinic*
Box 870392
Tuscaloosa, AL 35487
(205) 348-4960
<http://www.law.ua.edu/academics/law-clinics/civil-law-clinic/>

ARIZONA

Community Legal Services, Arizona
305 S. 2nd Avenue
Phoenix, AZ 85003
(602) 258-3434
<http://clsaz.org/>

Southern Arizona Legal Aid, Inc.
2343 E Broadway Blvd., Suite 200
Tucson, AZ 85719
(800) 640-9465
<http://www.sazlegalaid.org/>

ARKANSAS

*University of Arkansas at Little Rock,
William H. Bowen School of Law*
1201 McMath Avenue
Legal Clinic, Room 105
Little Rock, AR 72205
(501) 324-9441
<http://ualr.edu/law/>

CALIFORNIA

East Bay Community Law Center
2921 Adeline Street
Berkeley, CA 94703
(510) 548-4040
<http://ebclc.org/>

*Justice & Diversity Center of The Bar
Association of San Francisco*
301 Battery Street, Third Floor
San Francisco, CA 94111
(415) 989-1616
<http://www.sfbar.org/jdc/index.aspx>

Legal Aid Society of San Diego
110 South Euclid Avenue
San Diego, CA 92114
(877) 534-2524
<http://www.laszd.org>

Public Law Center
601 Civic Center Drive West
Santa Ana, CA 92701
(714) 541-1010
<http://www.publiclawcenter.org/>

COLORADO

Uncompahgre Volunteer Legal Aid
300 N. Cascade Avenue, Suite U-2
Montrose, CO 81401
(970) 249-7202
<http://uvlamontrose.org/>

CONNECTICUT

Connecticut Legal Services, Inc.
872 Main Street
Willimantic, CT 06226
(860) 456-1761
<http://www.connlegalservices.org/>

FLORIDA

Community Legal Services of Mid-Florida
122 East Colonial Drive #200
Orlando, FL 32801
(407) 841-7777
<http://clsmf.org/>

Jacksonville Area Legal Aid
126 West Adams Street
Jacksonville, FL 32202
(904) 356-8371
<https://www.jaxlegalaid.org/>

Legal Aid Society of the Orange County Bar Association, Inc.
100 E. Robinson Street
Orlando, FL 32801
(407) 841-8310
<http://www.legalaidocba.org/>

Legal Services of Greater Miami, Inc.
3000 Biscayne Blvd. Suite 500
Miami, FL 33137
(305) 576-0080
<http://legalservicesmiami.org/>

ILLINOIS

CARPLS
17 N. State Street, Suite 1850
Chicago, IL 60602
(312) 738-9200
<https://www.carpls.org/>

Collection Defense Legal Aid Bureau
73 W. Monroe Street, Suite 511
Chicago, IL 60603
(312) 561-6311
<http://cdlab.org/>
(See Texas Office)

Legal Assistance Foundation at Metropolitan Chicago
120 S. LaSalle Street, Suite 900
Chicago, IL 60603
(312) 341-1070
<https://www.lafchicago.org/contact-us>

INDIANA

Indiana Legal Services, Inc.
151 N. Delaware Street #1800
Indianapolis, IN 46204
(317) 631-9410
<http://www.indianalegalservices.org/topics/106>

Notre Dame Clinical Law Center
725 Howard Street
South Bend, IN 46617
(574) 631-7795
<http://law.nd.edu/academics/clinics-and-experiential-learning/clinics/about-the-clinical-law-center/>

*Valparaiso University School of Law
Clinical Program*
510 Freeman Street
Valparaiso, IN 46383
(219) 465-7903
<http://www.valpo.edu/law/current-students/law-clinic>

IOWA

Iowa Legal Aid
1111 9th Street # 230
Des Moines, IA 50312
(515) 243-1193
<http://www.iowalegalaid.org/>

KENTUCKY

Legal Aid Society of Louisville
416 W. Muhammad Ali Blvd., Suite 300
Louisville, KY 40202
(502) 584-1254
<http://www.laslou.org/>

MARYLAND

Pro Bono Resource Center of Maryland
520 W. Fayette Street #300
Baltimore, MD 21201
(443) 961-6418
<http://probonomd.org/>

*University of Baltimore School of Law -
Civil Advocacy Clinic*
1420 N. Charles Street (mailing)
1201 N. Charles Street (office)
Baltimore, MD 21201
(410) 837-5706
<http://law.ubalt.edu/clinics/civiladvocacy.cfm>

MASSACHUSETTS

Health Law Advocates
One Federal Street
Boston, MA 02110
(617) 338-5241
<http://www.healthlawadvocates.org/>

National Consumer Law Center
7 Winthrop Square
Boston, MA 02110
(617) 542-8010
<http://www.nclc.org/>

*Northeast Legal Aid and Northeast Justice
Center*
50 Island Street, #203B
Lawrence, MA 01840
(781) 599-7730
<http://www.northeastlegalaid.org/>

*Volunteer Lawyers Project of the Boston Bar
Association*
99 Chauncy Street Suite 400
Boston, MA 02111
(617) 423-0648
<http://www.vlpnet.org/>

MINNESOTA

Mid-Minnesota Legal Aid
430 First Avenue N., Suite 300
Minneapolis, MN 55406
(612) 334-5970
<http://mylegalaid.org/>

MISSOURI

Legal Aid of Western Missouri
706 Felix Street
St. Joseph, MO 64501
(816) 364-2325
<http://www.lawmo.org/>

NEW HAMPSHIRE

*Consumer and Commercial Law Clinic at
University of New Hampshire School of
Law*
2 White Street
Concord, NH 03301
(603) 228-1541
<https://law.unh.edu/academics/experiential-education/clinics>

NEW JERSEY

Central Jersey Legal Services, Inc.
317 George Street, Suite 201
New Brunswick, NJ 08901
(732) 249-7600
<https://www.lsnj.org/cjls/>

NEW YORK

*Brooklyn Bar Association Volunteer
Lawyers Project*
44 Court Street, Suite 1206
Brooklyn, NY 11201
(718) 625-3894
<http://brooklynvlp.org/>

*Fordham University School of Law - Civil
Rights Clinic of Lincoln Square Legal
Services, Inc.*
150 West 62nd Street
New York, NY 10007
(212) 636-6934
http://www.fordham.edu/info/23615/clinical_legal_education

*The Legal Aid Society of Rochester, New
York*
1 West Main Street, Suite 800
Rochester, NY 14614
(585) 232-4090
<http://www.lasroc.org/>

MFY Legal Services, Inc.
299 Broadway, 4th Fl.
New York, NY 10007
(212) 417-3700
<http://www.mfy.org/>

*Securities Arbitration & Consumer Clinic-
Syracuse University College of Law*
950 Irving Avenue
Syracuse, NY 13244
(315) 443-4582
<http://law.syr.edu/academics/clinical-experiential/clinical-legal-education/securities-arbitration-consumer-law-clinic/>

*Urban Justice Center Community
Development Project*
123 William Street, 16th Floor
New York, NY 10038
(646) 459-3013
<https://cdp.urbanjustice.org/>

Western New York Law Center
237 Main Street, Suite 1130
Buffalo, NY 14203
(716) 855-0203
<http://wnylc.com/>

NORTH CAROLINA
Legal Services of Southern Piedmont
1431 Elizabeth Avenue
Charlotte, NC 28204
(704) 376-1600
<http://www.lssp.org/>

NORTH DAKOTA
Legal Services of North Dakota
418 East Broadway #7
Bismarck, ND 58501
(701) 258-4270
<http://www.legalassist.org/>

OHIO
The Legal Aid Society of Cleveland
1223 West Sixth Street
Cleveland, OH 44113
(216) 861-5500
<https://lasclv.org/>

The Legal Aid Society of Columbus
1108 City Park Avenue
Columbus, OH 43206
(614)224-8374
<https://www.columbuslegalaid.org/>

OKLAHOMA
Legal Aid Services of Oklahoma, McAlester
321 S. 3rd Street, Suite 6
McAlester, OK 74501
(918) 423-2036
<http://www.legalaidok.org/>

Legal Aid Services of Oklahoma, Muskogee
624 West Broadway Street
Muskogee, OK 74401
(918) 683-5681
<http://www.legalaidok.org/>

PENNSYLVANIA
Consumer Bankruptcy Assistance Project
718 Arch Street, Suite 200N
Philadelphia, PA 19106
(215) 523-9511
https://www.philalegal.org/html/consumer_bankruptcy_assistance.html

Legal Aid of Southeastern Pennsylvania
625 Swede Street
Norristown, PA 19401
(610) 275-5406
<http://lasp.org/>

North Penn Legal Services
559 Main Street, Suite 200
Bethlehem, PA 18018
(610) 317-8757
<http://www.northpennlegal.org/>

TENNESSEE

Legal Aid of East Tennessee
502 S. Gay Street, Suite 404
Knoxville, TN 37902
(865) 637-0484
<http://www.laet.org/>

TEXAS

Collection Defense Legal Aid Bureau
University Park
3300 N Interstate Hwy 35, Suite 7018
Austin, TX 78722
(512) 851-8148
<http://cdlab.org/>
(See Illinois Office)

Legal Aid Society of Texas
509 Sharp Drive
DeSoto, TX 75115
(214) 952-7388
<https://lawyers.law.cornell.edu/lawyer/stewart-ransom-miller-209011>

Texas RioGrande Legal Aid, Inc.
4920 N. I-35
Austin, TX 78751
(512) 374-2700
<http://www.trla.org/>

UTAH

Utah Legal Services
205 North 400 West
Salt Lake City, UT 84103
(801) 328-8891
<http://www.utahlegalservices.org/>

VIRGINIA

Blue Ridge Legal Services, Inc.
P.O. Box 551
204 N. High Street
Harrisonburg, VA 22803
(540) 433-1830
<http://www.brsls.org/harrisonburg-office>

Central Virginia Legal Aid Society
101 W. Broad Street, Suite 101
Richmond, VA 23220
(804) 648-1012
<http://cvlas.org/>

Legal Aid Society of Eastern Virginia
125 St. Paul's Blvd., Suite 400
Norfolk, VA 23510
(757) 627-5423
<http://sites.lawhelp.org/Program/1647/>

Rappahannock Legal Services, Inc.
500 Lafayette Blvd, Suite 100
Fredericksburg, VA 22401
(540) 371-1105
<http://www.rapplegal.com/>

Virginia Legal Aid Society
513 Church Street
Lynchburg, VA 24504
(434) 846-1326
<http://vlas.org/>

WASHINGTON

Northwest Justice Project
401 Second Avenue, Suite 407
Seattle, WA 98104
Statewide Hotline: 1 (888) 201-1014
www.nwjustice.org

WASHINGTON DC

*Legal Aid Society of the District of
Columbia*

1331 H. Street, NW Suite 350

Washington, DC 20005

(202) 628-1161

<http://www.legalaiddc.org/>

WEST VIRGINIA

Mountain State Justice

1031 Quarrier Street, Suite 200

Charleston, WV 25301

(304) 344-3144

<http://mountainstatejustice.org/>

WISCONSIN

Legal Action of Wisconsin, Inc.

31 S. Mills Street

Madison, WI 53715

(608) 256-3304

www.legalaction.org

University of Wisconsin Law School-

Consumer Law Litigation Clinic

975 Bascom Mall

Madison, WI 53706

(608) 263-6283

<https://law.wisc.edu/eji/clc/>

ENDNOTES

¹ Caroline Ratcliffe, Urban Institute, *Delinquent Debt in America* (July 2014) (in the study, debts were considered “past due” if they were between 30 and 180 days late on a payment while debts that were more than 180 days past due were categorized as “in collections.”).

² Chris Albin-Lackey, Human Rights Watch, *Rubber Stamp Justice: US Courts, Debt Buying Corporations, and the Poor* (Jan. 2016).

³ Robert Hunt, “Understanding the Model: The Life Cycle of a Debt,” presented at FTC – CFPB Roundtable “Life of a Debt: Data Integrity in Debt Collection” (June 6, 2013).

⁴ Maria Aspan, “Courthouse ‘Rocket Dockets’ Give Debt Collectors Edge Over Debtors,” *American Banker* (Feb. 11, 2014) (reporting that millions of debt-collection lawsuits are filed annually). *See also* Annie Waldman & Paul Kiel, *ProPublica*, “Racial Disparity in Debt Collection Lawsuits: A Study of Three Metro Areas” (Oct. 8, 2015) (during a five year period there were 116,289 judgments in debt collection lawsuits in St. Louis City and County, Missouri; 278,566 in Cook County, Illinois; and 128,918 in Essex County, New Jersey); Jessica Mendoza, et al. “Collection claims abuses move up to higher courts,” *Boston Globe* (Mar. 28, 2015) (from 2004 to 2013 at least 1.2 million cases were filed in Massachusetts small claims and district court sessions by professional debt collectors); Peter A. Holland, “Junk Justice: A Statistical Analysis of 4,400 Lawsuits Filed By Debt Buyers”, 26 *Loy. Consumer L. Rev.* 179, 215 (2014) (reporting that debt buyers filed 40,796 lawsuits in 2009; 43,581 in 2010; 37,202 in 2011; 22,566 in 2012; and 24,317 in 2013); Susan Shin and Claudia Wilner, New Economy Project, *The Debt Collection Racket in New York* (June 2013) (reporting that debt collectors filed 195,105 lawsuits against New Yorkers in 2011); Claudia Wilner and Nasoan Sheftel-Gomes, Neighborhood Economic Development Advocacy Project, *Debt Deception: How Debt Buyers Abuse the Legal System to Prey on Low Income New Yorkers* 6 (2010) (“In New York City, debt collectors filed approximately 300,000 lawsuits per year between 2006 and 2008.”).

⁵ *See, e.g.*, Mary Spector, “Debts, Defaults, and Details: Exploring the Impact of Debt Collection Litigation on Consumers and Courts,” 6 *Va. L. & Bus. Rev.* 257, 288 (2011) (77% default rate in Dallas County); Claudia Wilner and Nasoan Sheftel-Gomes, Neighborhood Economic Development Advocacy Project, *Debt Deception: How Debt Buyers Abuse the Legal System to Prey on Low Income New Yorkers* 6 (2010) (81% default rates in New York City); Fed. Trade Comm’n, *Repairing a Broken System* 7 (July 2010) (“panelists from throughout the country estimated that sixty percent to ninety-five percent of consumer debt collection lawsuits result in defaults, with most panelists

indicating that the rate in their jurisdictions was close to ninety percent”) and 7 n.18 (collecting studies on default rates).

⁶ Chris Albin-Lackey, Human Rights Watch, *Rubber Stamp Justice: US Courts, Debt Buying Corporations, and the Poor* (Jan. 2016) (“Legal aid and consumer rights attorneys across several states told Human Rights Watch that they win the overwhelming majority of the cases they defend against debt buyers.”); Peter Holland, “Junk Justice: A Statistical Analysis of 4400 Lawsuits Filed by Debt Buyers,” 26 *Loy. Consumer L. Rev.* 179, 2011 (2014) (“Of the 13% of defendants who proceeded pro se . . . debt buyers obtained judgment by affidavit, consent, default, or trial 47% of the time, and recovered 62% of the amount sought in the complaints . . . Of the 2% of defendants who had a lawyer enter an appearance in the case, debt buyers obtained an affidavit, consent, or default judgment only 15% of the time, and recovered only 21% of the principal amount sought in the complaints.”); Mary Spector, “Debts, Defaults, and Details: Exploring the Impact of Debt Collection Litigation on Consumers and Courts,” 6 *Va. L. & Bus. Rev.* 257, 297 (2011) (11% of cases ended with affirmative recovery for defendant, default judgment, or agreed judgment when the consumer was represented by counsel as compared to 40% of cases that ended with affirmative recovery for defendant, default judgment, or agreed judgment when the consumer appeared pro se).

⁷ Chris Albin-Lackey, Human Rights Watch, *Rubber Stamp Justice: US Courts, Debt Buying Corporations, and the Poor* (Jan. 2016) (“Some attorneys reported that if they advanced a vigorous defense, debt buyers often simply dropped the case.”); *Consumer Fin. Prot. Bureau v. Frederick J. Hanna & Associates, P.C.*, 114 F. Supp. 3d 1342, 1350 (N.D. Ga. 2015) (noting that “consumers who retained attorneys were almost four times more likely to have their cases dismissed” by Frederick J. Hanna & Associates, P.C.); Mary Spector, “Debts, Defaults, and Details: Exploring the Impact of Debt Collection Litigation on Consumers and Courts,” 6 *Va. L. & Bus. Rev.* 257, 297 (2011) (82% of cases were dismissed when the consumer was represented by counsel as compared to 53% of cases that were dismissed when the consumer appeared pro se); Robert Hobbs, National Consumer Law Center, 2009/2010 IOLTA Grants Program Final Report Narrative (Sept. 17, 2010) (debt collectors dismissed 60 of 60 collection actions in Massachusetts Small Claims courts in 2009-2010 when faced with clinical law students’ mere appearance in court) (report on file with author).

⁸ See, e.g. National Consumer Law Center, *Federal Deception Law* §10.2 (2d ed. 2016) (scams involving unsecured debts); National Consumer Law Center, *Student Loan Law* §1.12.4 (2d ed. 2016) (student loan “debt relief” industry); National Consumer Law Center, *Student Loan Law* §4.8 (5th ed. 2015) (automobile sublease scams); National Consumer Law Center, *Foreclosures and Mortgage Servicing* §18.2 (5th ed. 2014) (foreclosure rescue scams).

⁹ See Paul Kiel, *ProPublica*, “So Sue Them: What We’ve Learned About the Debt Collection Lawsuit Machine” (May 5, 2016) (99% of defendants sued by New Jersey collection law firm Pressler & Pressler did not have attorneys; 97% of defendants in debt collection cases filed in New Jersey’s lower level court in 2013 did not have attorneys; 91% of defendants in Missouri debt collection cases in 2013 did not have attorneys); Samantha Liss, “When a nonprofit health system outsources its ER, debt collectors follow,” *St. Louis Post-Dispatch* (Apr. 17, 2016) (reporting that in 1,078 lawsuits filed by CP Medical in St. Louis, St. Louis County and St. Charles County between December 2, 2014 and March 10, 2016, only 17 defendants had an attorney); Chris Albin-Lackey, Human Rights Watch, *Rubber Stamp Justice: US Courts, Debt Buying Corporations, and the Poor* (Jan. 2016) (consumers had legal representation in 3 out of 247 cases in a randomized sample of lawsuits filed in New York by debt buyers in 2013 that resulted in judgments); Peter Holland, “Junk Justice: A Statistical Analysis of 4400 Lawsuits Filed by Debt Buyers,” 26 *Loy. Consumer L. Rev.* 179 (2014) (consumers were represented by an attorney in only 2% of debt collection lawsuits in Maryland); Susan Shin and Claudia Wilner, New Economy Project, *The Debt Collection Racket in New York* (June 2013) (attorneys represented consumers in only 2% of debt collection cases filed in New York City); Mary Spector, “Debts, Defaults, and Details: Exploring the Impact of Debt Collection Litigation on Consumers and Courts,” 6 *Va. L. & Bus. Rev.* 257, 288 (2011) (fewer than 10% of defendants served in debt collection lawsuits were represented by an attorney in Dallas County, Texas); Claudia Wilner and Nasoan Sheftel-Gomes, Neighborhood Economic Development Advocacy Project, *Debt Deception: How Debt Buyers Abuse the Legal System to Prey on Low Income New Yorkers 1* (2010) (only 1% of people sued by debt buyers in New York City are represented by counsel).

¹⁰ Legal Services Corporation, Budget Request Fiscal Year 2014 (reporting \$350.1 million in Legal Services Corporation appropriation in 2013 and noting that appropriations would have needed to be \$838.4 million that year to match the level of funding from 1980, as adjusted for inflation).

¹¹ Legal Services Corporation, “The Unmet Need for Legal Aid” *available at* <http://www.lsc.gov/what-legal-aid/unmet-need-legal-aid>.

¹² Because some questions were answered by fewer than 64 organizations, percentages in this report are based on the number of respondents who answered each individual question. All percentages are rounded to the nearest whole number.

¹³ The following states were not represented among the survey responses: Alaska, Delaware, Georgia, Hawaii, Idaho, Kansas, Louisiana, Maine, Michigan, Mississippi, Montana, Nebraska, New Mexico, Nevada, Oregon, Rhode Island, South Carolina, South Dakota, Vermont, and Wyoming.

¹⁴ This clinic is not represented in survey results.

¹⁵ Information about settlement is available online at:

<https://www.sykesclassaction.com/en>. The final settlement hearing was held on May 11, 2016.

¹⁶ <https://helios.law.harvard.edu/PublicService> (password required).

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