

43 Groups Oppose H.R. 5082 (Mooney), Practice of Law Technical Clarification Act of 2018

March 19, 2018

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

Dear Representative:

Two months ago our legal services, community, consumer, and civil rights groups [wrote you](#) to oppose H.R. 4550 (Gonzalez), the Practice of Law Technical Clarification Act, because of the harm it would cause consumers. The bill has been re-filed with some changes under a new number, H.R. 5082, and different lead sponsor (Money), but the bill is even more dangerous and anti-consumer than its predecessor.

Both H.R. 5082 and H.R. 4550 would exempt attorneys and law firms engaged in litigation from the Fair Debt Collection Practices Act (FDCPA) and eliminate Consumer Financial Protection Bureau (CFPB) authority over them. These dangers to consumers are explained in our [previous letter](#), this [issue brief](#), and this letter from almost [80 Texas attorneys and law professors](#). The only beneficiaries of this bills would be lawyers who are violating the FDCPA by using abusive and deceptive activities to collect debts.

The changes made in H.R. 5082 make it even more harmful to consumers than the previous version because it would add an exemption from the FDCPA for “any other activities engaged in as part of the practice of law, under the laws of a State in which the attorney is licensed, that relate to the legal action.” This vague language expands the scope of the exemption significantly. While H.R. 5082, attempts to add a provision requiring that a legal action actually be served on the defendant before the FDCPA exemption applies, even this provisions falls short of the mark by allowing “attempted” rather than actual service to suffice.

As explained in a letter sent by nearly [80 attorneys and law professors from every corner of Texas](#) recently to Congressman Gonzalez, the bill is likely to lead to:

- More lawsuits as attorneys rush to litigation to immunize their conduct in an already overburdened court-system
- Less informal resolution of consumer debt as lawsuits become preferred method of collection
- More use of unfair litigation tactics, all now covered by the FDCPA, including:
 - Lawsuits against consumers in distant courts
 - Lawsuits to collect zombie debt

- Lawsuits to collect amounts not owed, including amounts discharged in bankruptcy
- More judgments obtained and collected through unfair means such as pressure to sign over protected government benefits.

We strongly urge you to oppose H.R. 5082 and reject this attempt to undermine critical protections for consumers from the deceptive and unfair activities of lawyers collecting debts. For more information, please contact Margot Saunders (MSaunders@nclc.org) or April Kuehnhoff (AKuehnhoff@nclc.org) at the National Consumer Law Center.

Sincerely,

American Association for Justice
Americans for Financial Reform (AFR)
Arkansans Against Abusive Payday Lending
Arkansas Community Organizations
Center for Responsible Lending (CRL)
Civil Justice, Inc (Baltimore, MD)
Connecticut Citizen Action Group (CCAG)
Connecticut Legal Services, Inc.
Connecticut Veterans Legal Center
Consumer Action
Consumers Union
Consumer Federation of America
Consumers League Of New Jersey
Florida Alliance for Consumer Protection
Georgia Watch
Jacksonville Area Legal Aid, Inc.
Kentucky Equal Justice Center
Legal Aid Society of the District of Columbia
Michigan Foreclosure Prevention Project
Mobilization for Justice (New York)
Mountain State Justice (West Virginia)
NAACP
National Association of Consumer Advocates
National Association of Consumer Bankruptcy Attorneys (NACBA)
National Center for Law and Economic Justice
National Consumer Law Center (on behalf of its low income clients)
National Legal Aid & Defenders Association
National Veterans Legal Services Program
New Economy Project (New York)
North Carolina Justice Center

Prosperity Now
Public Citizen
Public Good Law Center (Berkeley, Calif.)
Public Interest Law Center (Pennsylvania)
Public Justice Center (Maryland)
Public Law Center (Santa Ana, Calif.)
South Carolina Appleseed Legal Justice Center
Texas Appleseed
Tzedek DC Inc.
U.S. Public Interest Research Group (PIRG)
Volunteers of Legal Service, Inc. (New York)
West Virginia Center for Budget and Policy
Woodstock Institute