

May 5, 2017

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

RE: Groups strongly oppose H.R. 1849 – Practice of Law Technical Clarification Act of 2017

Dear Committee Members:

The undersigned community, consumer, and civil rights groups urge you to oppose H.R. 1849, the Practice of Law Technical Clarification Act of 2017. Passage of this bill would hurt consumers, especially people who have recently lost jobs, had a death in the family, or suffered another type of devastating personal loss. It would eradicate essential protections against abusive and deceptive debt collection practices by collection attorneys.

In 1986, as the result of clear findings of abuses by debt collection attorneys, Congress amended the Fair Debt Collection Practices Act (FDCPA)¹ to ensure that attorneys who meet the statutory definition of debt collector must comply with all of the provisions of the law.² Prior to this amendment, law firms were immune from the requirements of the FDCPA even when they were operating as debt collectors. They even advertised their competitive advantage over debt collection agencies that were required to comply with the FDCPA's consumer protections.³ H.R. 1849 would turn back the clock on this important protection for struggling families by exempting attorney conduct from the consumer protections provided by the FDCPA.

Americans file more consumer complaints with state and federal officials about debt collectors than any other industry. Recent enforcement actions⁴ by federal agencies have highlighted numerous and widespread abusive and deceptive practices by collection law firms and attorneys. Yet this bill would eliminate Consumer Financial Protection Bureau enforcement actions against law firms and attorneys. Your constituents would be harmed by this change in the law.

The FDCPA is a critical consumer protection statute designed to “eliminate abusive debt collection practices by debt collectors.”⁵ In order to achieve this goal, it is critical that Congress ensure that the statute applies broadly to *all* debt collectors.

We strongly urge you to oppose H.R. 1849 and reject this attempt to weaken the FDCPA. For more information, please contact Margot Saunders (MSaunders@nclc.org) or April Kuehnhoff (AKuehnhoff@nclc.org) at the National Consumer Law Center.

Sincerely,

Americans for Financial Reform (AFR)
Arizona Community Action Association
Center for Responsible Lending
Civil Justice, Inc.
Connecticut Legal Services, Inc.
Consumer Action
Consumer Federation of America

Consumers League of New Jersey
Consumers Union
Corporation for Enterprise Development (CFED)
Florida Alliance for Consumer Protection
Kentucky Equal Justice Center
Legal Aid Society of the District of Columbia
Legal Services of New Jersey
MFY Legal Services, Inc.
Michigan Consumer Law Section⁶
Michigan Poverty Law Program
Mountain State Justice, Inc.
NAACP
National Association of Consumer Advocates
National Center for Law and Economic Justice
National Consumer Law Center (on behalf of its low-income clients)
National Legal Aid & Defenders Association
New Economy Project
New Leaf's Mesa Community Action Network
North Carolina Justice Center
Protecting Arizona's Family Coalition
Public Good Law Center
Public Interest Law Center
Public Justice Center
Public Law Center
South Carolina Appleseed Legal Justice Center
Tzedek DC
U.S. Public Interest Research Group (PIRG)
Woodstock Institute

¹ 15 U.S.C. § 1692a.

² Pub. L. No. 99-361, 100 Stat. 768 (effective July 9, 1986).

³ H.R. Rep. No. 405, 99th Cong., 1st Sess. (Nov. 26, 1985) *reprinted in* 1986 U.S.C.C.A.N. 1752, 132 Cong. Rec. H10534 (daily ed. Dec. 2, 1985)

⁴ *See, e.g.*, Complaint, Consumer Fin. Protection Bureau v. Weltman, Weinberg & Reis Co., L.P.A. (N.D. Ohio Apr. 17, 2017); Consent Order, In the Matter of Pressler & Pressler, LLP, Sheldon H. Pressler, and Gerald J. Felt ¶¶ 39 (Apr. 25, 2016); Consumer Fin. Protection Bureau v. Frederick J. Hanna & Assoc., Stipulated Final Judgment and Order, 14-cv-02211-AT, at ¶¶ 10-11 (D.Ga. 2015).

⁵ 15 U.S.C. § 1692(e).

⁶ The Consumer Law Section is not the State Bar of Michigan itself, but rather a Section which members of the State Bar choose voluntarily to join, based on common professional interest. The position expressed is that of the Consumer Law Section only and is not the position of the State Bar of Michigan.