

November 10, 2015

Senator Cory Booker  
United States Senate  
Washington, DC

Senator Mike Lee  
United States Senate  
Washington, DC

Re: Consumer Groups Support for S. 2255 amending the Fair Debt Collection Practices Act

Dear Senator Booker and Senator Lee:

We write to support your bill, the Stop Debt Collection Abuse Act. This bill is an important step on the road to limiting abusive debt collection of debts owed the federal government. The bill will ensure that third party collectors are covered under the Fair Debt Collection Practices Act (FDCPA) when they are collecting overpayments, fines, penalties, fees or other money owed to federal agencies. These are important additions to the existing coverage of IRS debts and consumer debts already included by federal regulation in the FDCPA. Additionally, the bill will require federal agencies to wait at least 180 days before referring their debts to collectors and will limit the fees that can be charged in these collection efforts to amounts that are reasonable, authorized by the contract, and no more than 10% of the amount collected.

The bill also requests a GAO Report on the fees and risks to consumers associated with the collection of state and local debt. A recent investigation by CNN of the collection of state and local government debt (<http://money.cnn.com/interactive/pf/debt-collector/government-agencies/>) illustrated the problematic practices associated with imposition of state and municipal taxes, fines, and penalties, and the burdens that debt collection imposed on lower income communities, especially those that are predominantly African-American or Hispanic. Unfair debt collection practices are inappropriate no matter the original source of the debt. We remain hopeful that federal law will be amended to cover these state and local collections to eliminate these abuses.

Thank you for your support of American consumers. If you have any questions regarding this letter or the underlying issues, please contact Margot Saunders, attorney at the National Consumer Law Center, [MSaunders@nclc.org](mailto:MSaunders@nclc.org).

Sincerely,

Alliance for a Just Society

Americans for Fairness in Lending

Center for Responsible Lending

Consumer Action

Consumer Federation of America

National Association of Consumer Advocates

National Consumer Law Center, on behalf of its low-income clients

National Fair Housing Alliance

Woodstock Institute

Alabama Appleseed Center for Law & Justice

Empire Justice Center, New York

Reinvestment Partners, North Carolina

Tennessee Citizen Action