



April 16, 2021

Chairwoman Maxine Waters
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

Ranking Member Patrick McHenry
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 2051

RE: H.R. 2547, the “Comprehensive Debt Collection Improvement Act” (Waters), which includes:

- HR 2540, the “Small Business Fairness Lending Act” (Velazquez)
- HR 1491, the “Fair Debt Collection Practices for Servicemembers Act” (Dean)
- HR 2498, the “Private Loan Disability Discharge Act” (Dean)
- HR 2537, the “Consumer Protection for Medical Debt Collections Act” (Tlaib)
- HR 1657, the “Ending Debt Collection Harassment Act” (Pressley)
- HR 2572, the “Stop Debt Collection Abuse Act” (Cleaver)
- HR 2628, the “Debt Collection Practices Harmonization Act” (Meeks)
- HR 2458, the “Non-Judicial Foreclosure Debt Collection Clarification Act” (Auchincloss)

Dear Chairwoman Waters and Ranking Member McHenry:

The undersigned consumer groups write in support of HR 2547 and urge you to vote it favorably out of the House Financial Services Committee at the upcoming markup on April 20.

Prior to the pandemic, the Urban Institute reported that more than [68 million adults](#) in the U.S. had one or more debts in collection on their credit report, and consumer debt has continued to grow during the pandemic, reaching [\\$14.56 trillion](#) at the end of 2020.

Debt in collection can wreak havoc on consumers, subjecting them to harassing debt collection calls and potential lawsuits. Despite the enactment of the federal Fair Debt Collection Practices Act (“FDCPA”) in 1977, debt collection remains a [frequent source of complaints](#) to the Consumer Financial Protection Bureau, Federal Trade Commission, and other state and federal agencies.

Data from the Urban Institute also show racial disparities in debt collection, with [39 percent of residents in communities of color](#) with debt in collection compared to 24 percent of residents in white communities. These statistics highlight the fact that consumer protections for consumers with alleged debts in collection are also a racial justice issue.

Additionally, other groups may be particularly vulnerable to abusive debt collection practices including servicemembers, older consumers, and consumers with limited English proficiency.

To better protect vulnerable consumers, this bill would enact a wide variety of critical reforms, including:

- Prohibiting the use of confessions of judgment as an unfair credit practice that eliminate notice and the right to be heard;
- Prohibiting certain abusive collection practices directed at servicemembers, including threats to reduce rank or revoke security clearance;
- Requiring discharge of private student loans due to total and permanent disability;
- Prohibiting collection of medical debt for the first two years and credit reporting of debt arising from any medically necessary procedures;
- Requiring debt collectors to obtain consent before using electronic communications and provide written validation notices;
- Amending the FDCPA to expand and clarify coverage, including extending coverage for all federal, state, and local debts collected by debt collectors;
- Adjusting statutory damages in the FDCPA for inflation and indexing them to index for inflation in the future; and
- Clarifying FDCPA coverage for non-judicial foreclosures.

Enactment of H.R. 2547 will protect vulnerable consumers from abusive debt collection practices, and we thank the House Financial Services Committee for considering legislation to address these important issues.

Please feel free to contact Lauren Saunders at the National Consumer Law Center, lsaunders@nclc.org regarding this legislation.

Very truly yours,

Americans for Financial Reform
Center for Responsible Lending
Consumer Action
Consumer Federation of America
Consumer Reports
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low income clients)
U.S. PIRG

CC: Members of the House Financial Services Committee