[In Comprehensive Official Comment Letter, Broad Coalition Rebukes Trump-appointed CFPB Director's Plan to Gut Payday Loan Rule]

FOR IMMEDIATE RELEASE: May 17, 2019

National Consumer Law Center contacts: Lauren Saunders (lsaunders@nclc.org) or (202) 595-7845; or Jan Kruse (jkruse@nclc.org) or (617) 542-8010

CFPB is required to consider comments on its plan, which would eliminate protections from 300% APR payday loan debt traps

House Oversight and Reform subcommittee hearing held on the proposal

WASHINGTON, D.C. – The National Consumer Law Center (NCLC), as part of a coalition of civil rights, consumer, and labor groups, submitted an official comment letter (link to executive summary) to the Consumer Financial Protection Bureau (CFPB), excoriating CFPB Director Kathy Kraninger's plan to gut a 2017 CFPB rule that was issued to stop payday loan debt traps. The coalition's comment letter, submitted on the last day of the comment period, is a comprehensive rebuttal to Kraninger's rationale for rolling back the Payday Rule. The letter shows how her proposal fails to account for ample evidence of consumer harm of these 300%+ APR loans and abandons the CFPB's core mission. Select quotes from the comment are included below. More than 420 community, civil rights, and consumer groups across the nation sent a separate comment letter opposing the CFPB's proposed changes.

The proposal would rip out the heart of the 2017 payday rule–the commonsense requirement that a lender must check to see if a borrower can repay a loan before issuing it (an "ability-to-repay" standard).

Along with NCLC, signatories to the letter are: Center for Responsible Lending, Public Citizen, Consumer Federation of America, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), Americans for Financial Reform Education Fund, Leadership Conference on Civil and Human Rights, League of United Latin American Citizens (LULAC), NAACP, National Association for Latino Community Asset Builders, National Coalition for Asian Pacific American Community Development (National CAPACD), and U.S. PIRG.

The comment letter states:

"The Bureau spent over five years engaging in extensive information gathering, public input and analysis before finalizing a rule to address the unfair and abusive practice by payday and vehicle title lenders of making loans without considering ability to repay….

"The Proposal—a plainly outcome-driven, 47-page exercise in grasping for straws—has offered no reasonable basis to rescind that Rule.

"The Proposal never disputes the harms of the debt trap. But the Proposal, without basis, would permit those harms to continue. Payday and title lenders' practice of making loans without considering ability to repay causes serious and widespread harm. Payday and vehicle title lenders turn responsible lending on its head, creating a debt trap by design that is the core element of their business model. The overwhelming majority of payday and auto vehicle loans are made to borrowers caught in a debt trap because they cannot afford to repay their loans on their initial terms….

"And lenders' unfair and abusive practice causes particular harm to financially vulnerable communities, including older Americans, those on a fixed income, and communities of color….

"The Proposal abandons the Bureau's core statutory mission of protecting consumers and shows an almost exclusive focus on the interests of payday and vehicle title lenders."

Linked here is map showing the APR of a typical payday loan in those states without strong interest rate caps.

A House Oversight and Reform subcommittee held a hearing yesterday entitled **"**CFPB's Role in Empowering Predatory Lenders: Examining the Proposed Repeal of the Payday Lending Rule**."**

Consumer Watchdog's Proposed Debt Collection Rule Bites Consumers: Authorizes Harassment by Debt Collectors

FOR IMMEDIATE RELEASE: May 7, 2019
National Consumer Law Center contact: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

Consumer Watchdog's Proposed Debt Collection Rule Bites Consumers: Authorizes Harassment by Debt Collectors

Washington – The Consumer Financial Protection Bureau (CFPB) released a proposed debt collection rule today which provides numerous gifts to debt collectors with limited new protections for consumers.

"We are horrified that the CFPB's proposed rule will actually authorize harassment of consumers through phone calls, emails, and texts. We are deeply disappointed that the CFPB failed to use this opportunity to protect consumers," **said Margot Saunders, an attorney at the National Consumer Law Center**.

"Seven calls per debt, per week is simply too many, especially when combined with unlimited emails and texts," **said April Kuehnhoff, an attorney at the National Consumer Law Center who focuses on debt collection. "**A student with eight loans could receive 56 calls per week. The proposed rule would also allow for critical notice to consumers to be provided by email or text message without a consumer's consent as required by federal law. Other emails and text messages have no limits unless the consumer opts out."

"Debt collectors could leave messages on voicemail that may not be private," **added Kuehnhoff.** "And protections from time-barred "zombie" debts would be limited to prohibiting lawsuits and threats of suits on such debts, meaning that the consumer will face continued collection attempts out of court. Consumers will not understand that lawsuits are prohibited or that small payments may, in some states, open the consumer up to being sued."

"And the proposed rule allows critical notices to be sent by email to consumers who may not have regular internet access," **noted Saunders.** "The cell phones used by many low-income consumers do not provide the ready email access or ample data that wealthier people enjoy. They may not be able to use their phones to read emails, open attachments, and click on hyperlinks to see critical disclosures."

Contact with a debt collector is a common experience for Americans. In 2017, 71 million Americans – nearly one in three adults with a credit report – had a debt in collection reported on their credit reports. Nationally, the percent of people with debt in collection reaches 45% for residents of predominantly non-white zip codes.

Abuses by debt collectors are consistently among the top consumer complaints to both the CFPB and the FTC. In 2018, there were 475,517 consumer complaints about debt collection compiled by the Federal Trade Commission. In 2017, the top categories of law violations in debt collection complaints collected by the FTC included "Calls After Getting 'Stop Calling' Notice" (227,917 complaints), "Calls Repeatedly" (210,238 complaints), "Makes False Representation about Debt" (192,704 complaints), "Fails to Identify as Debt Collector" (84,364), "Tells Someone Else About Consumer's Debt" (39,760 complaints), and "Falsely Threatens Illegal or Unintended Act" (31,519 complaints).

NCLC's Key Recommendations to Strengthen the Rule and Rein in Abuses

- **Stop telephone harassment** by limiting collectors to one conversation per week (with up to three attempted calls per collector).
- **Only permit e-mail and text communications** after a consumer has affirmatively opted-in to this method of communication, especially for the delivery of critical disclosures.
- **Protect consumer privacy** by not exempting any collector contacts from the Fair Debt Collection Practices Act and clarifying that collectors cannot leave messages with employers, friends, or neighbors.
- **Stop collection of zombie debt** by prohibiting collection, both in and out of court, of time-barred debt that is too old to be legally sued on.

The public will have 90 days to submit comments on the proposed rule after it is published in the Federal Register.

Related Resources

- **NCLC report:** *Consumer Complaints about Debt Collection: Analysis of Unpublished Data from the FTC* and National, State, and D.C. fact sheets, February 2019
- *CFPB Fair Debt Collection Practices Act Annual Report*, March 2019
- *CFPB's Study of Third-Party Debt Collection Operations*, July 2016
- CFPB's Advance Notice of Rulemaking re: Debt Collection, November 12, 2013
- FTC's report on the *Structures and Practices of the Debt Buying Industry*, January 2013

For more information on NCLC's extensive body of work on fair debt collection, see https://www.nclc.org/issues/debt-collection.html and CFPB debt collection rulemaking: https://www.nclc.org/issues/debt-collection-rulemaking-at-the-cfpb.html

Advocates Applaud CFPB for Suing Firms Accused of Illegally Taking Upfront Fees for Credit Repair Services

FOR IMMEDIATE RELEASE: May 3, 2019

CONTACT: National Consumer Law Center: Andrew Pizor (apizor@nclc.org) or Stephen Rouzer (srouzer@nclc.org) (202) 595-7847

Advocates Applaud CFPB for Suing Firms Accused of Illegally Taking Upfront Fees for Credit Repair Services

WASHINGTON– Advocates at the National Consumer Law Center applaud the Consumer Financial Protection Bureau's (CFPB) legal action against Lexington Law and several internet-based marketers (PGX Holdings Inc. and subsidiaries Progrexion Marketing Inc., Progrexion Teleservices Inc., eFolks LLC, and CreditRepair.com Inc.).

In a lawsuit filed on Thursday in the U.S. District Court in Utah, the Bureau alleges the firms violated the Telemarketing Sales Rule (TSR) by requesting and receiving payment of prohibited upfront fees for their credit repair services. The law requires firms to provide consumers with documentation proving the promised results have been achieved prior to charging fees.

"The involvement of a law firm in this scam is particularly disturbing," said National Consumer Law Center attorney Andrew Pizor. "We urge state regulators and bar associations to renew their attention to scammers using law firms as a front for misconduct."

The Bureau also alleges some of the defendants violated the TSR and the Consumer Financial Protection Act by "making deceptive representations in its marketing, or by substantially assisting others in doing so."

"The Bureau's suit is a welcome step and we encourage it to seek strong penalties and restitution for any consumers harmed," said Pizor. "Anything less could be dismissed by these scammers as a cost of doing business."

"Consumers should never pay for credit repair–it's a waste of money," Pizor added. "You can get a free credit report and can fix errors yourself by going to annualcreditreport.com. Unfortunately, nothing but time can cure accurate negative information."

For more information about fixing credit report problems, go to https://www.nclc.org/for--consumers/brochures-for-older-consumers.html#for_consumers

Report Documents Racial and Ethnic Disparities in Auto Sales and Finance; National Consumer Law Center Attorney to Testify at U.S. House Committee Hearing on May 1

FOR IMMEDIATE RELEASE: APRIL 30, 2019
National Consumer Law Center contact: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

Download the report, including ten charts, at: http://bit.ly/2PFsA9b

National Consumer Law Center attorney John W. Van Alst testimony will be available at 10 a.m. ET on Wednesday, May 1: http://bit.ly/2V2Tb6h

Boston – For many in America, a car provides not only physical mobility but also economic mobility. Yet a new report by the National Consumer Law Center documents that the costs of buying, financing, and using a car can vary based on race or ethnicity. National Consumer Law Center attorney John W. Van Alst, who authored the report, will discuss these disparities when testifying at the U.S. House Financial Services Committee hearing on the subject on Wednesday, May 1 at 10 a.m. ET.

The disparities make cars more expensive for some races and ethnic groups and keep some families from getting a car at all, as documented in the report *Time to Stop Racing Cars: The Role of Race and Ethnicity in Buying and Using a Car*. For example, of those at or below the poverty line, 31% of African American households and 20% of Hispanic households lack access to a car compared with just 13% of White households.

"Many racial and ethnic disparities occur because the market for cars is troublingly opaque and inconsistent," **said Van Alst.** "A more consistent and transparent marketplace would not only benefit consumers of color but all marketplace participants, including car dealers, finance entities, and insurers that want to compete fairly and openly on price and quality."

Recommendations

To move toward creating a transparent and level playing field, the report recommends that federal and state policymakers should:

- **Ban dealer interest rate markups.** Any compensation paid to the dealer as part of the financing process should not be based on the interest rate or other financing terms, and should be consistently applied to all transactions.
- **Amend the Equal Credit Opportunity Act (ECOA) regulations (Regulation B)** to enable and require the collection and analysis of race and ethnicity data for auto financing transactions.
- **Prohibit discrimination in the pricing of goods and services.**
- **Increase enforcement of the ECOA and state fair lending laws.**
- **Increase enforcement against general abuses in the sale and financing of cars**. Given

the evidence of discrimination in the sale and finance of cars, it is likely that many other abuses, from yo-yo sales to failure to pay off existing liens, are more likely to affect people of color. Stepped-up enforcement against all abuses in the sale and finance of cars could help address disparities and level the playing field for everyone.
- **Take action on insurance rate setting to address disparities based upon race and ethnicity.**
- **End suspension of driver's licenses for reasons beyond dangerous driving**.

National Consumer Law Center Attorney Margot Saunders Will Testify at U.S. House Hearing on Legislating to Stop the Onslaught of Annoying Robocalls

FOR IMMEDIATE RELEASE: April 30, 2019
National Consumer Law Center Contact: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

U.S. on Track to Hit 60 Billion Robocalls in 2019

Full written testimony of National Consumer Law Center Senior Counsel Margot Saunders is available at: http://bit.ly/2UIVXIM

Washington – On Tuesday, April 30 at 10:00 am ET, the U.S. House Committee on Energy and Commerce subcommittee on Communications and Technology will convene a hearing on "Legislating to Stop the Onslaught of Annoying Robocalls" and H.R. 946: the Stopping Bad Robocalls Act, introduced by Rep. Frank Pallone (D-NJ) and co-sponsored by 37 other members of Congress. "Passage of the Stopping Bad Robocalls Act would create a powerful tool that will stop most unwanted robocalls in the United States, giving us once again control over our telephones and saving our telephone system," **said National Consumer Law Center Senior Counsel Margot Saunders**, who will testify at the hearing.

In her testimony, Saunders will discuss the surging problem of unwanted robocalls since the Telephone Consumer Protection Act (TCPA), which is overseen by the Federal Communication Commission (FCC), was enacted in 1991, and how this pending legislation would significantly dial back the scourge of robocalls.

H.R. 946 would provide new and substantial protections from robocallers by clarifying various terms in the TCPA and requiring the implementation of meaningful call authentication technology (so Caller ID is once again reliable), The bill would ensure that consumers are protected from unwanted robocalls and robotexts by clarifying the definition of autodialer to ensure robocallers cannot evade the law's requirement for consumers' consent for robocalls. The bill also amends the law to reinforce that the TCPA applies to text messages, and to make certain that consent provided for robocalls can always be revoked.

Saunders' testimony will include examples of dozens of well-known American businesses and debt collectors that are responsible for tens of millions of unwanted and illegal telemarketing and collection robocalls, including student loan servicer Navient, the mortgage servicer Ocwen, Citibank, and Sterling Jewelers.

Robocalls surged after a [2018 decision] from the U.S. Court of Appeals in D.C. that set aside a 2015 FCC order on the question of how to interpret the TCPA's ban on autodialed calls to cell phones without the called party's consent. This decision raised the specter that the prohibition might be interpreted not to cover the autodialing systems that are currently used to deluge cell phones with unwanted calls.

Saunders will testify on behalf of the National Consumer Law Center (on behalf of its low-income clients), Consumer Action, Consumer Federation of America, and the National Association of Consumer Advocates.

Read more of NCLC's extensive body of work on illegal robocalls:
http://www.nclc.org/issues/robocalls-and-telemarketing.html

Court Decision Signals End of Faux Tribal Payday Lending

FOR IMMEDIATE RELEASE: APRIL 24, 2019

National Consumer Law Center contacts: Jan Kruse (jkruse@nclc.org) or Lauren Saunders (lsaunders@nclc.org)

Court Decision Signals End of Faux Tribal Payday Lending

Washington – The Second Circuit Court of Appeals in a decision today against Think Finance and the officers of Plain Green Loans has made crystal clear that online tribal payday lenders must comply with state interest rate limits, licensing laws and other state laws, and can be sued through their officers for injunctive relief if they do not.

"This decision sounds the death knell for tribal payday lending," said Lauren Saunders, associate director of the National Consumer Law Center.

"The faux tribal payday lending model has always been based on the mistaken belief that payday lenders could evade state laws by hiding behind Native American tribes. The Supreme Court has long made clear that tribes must obey state law when they operate off reservation, and that is true of online tribal payday lenders as well. This decision follows the path laid out by the Supreme Court in a 2014 decision showing how to enforce state law against purportedly tribal entities," Saunders added.

The faux tribal payday lending model attempts to exploit tribal sovereign immunity, a legal doctrine that limits when tribes may be sued. But sovereign immunity – an English doctrine that goes back to the idea that the king may do no wrong – is not the same thing as an exemption from the law. Rather, it just limits when and how a sovereign party (i.e. a state or a tribe) can be sued. Under the

1908 Supreme Court decision Ex Parte Young, a sovereign may be sued indirectly through its officers in their official capacity for injunctive relief to require the sovereign to comply with the law.

The Second Circuit's decision does not address whether the plaintiffs—consumers who were charged illegally high interest rates for small-dollar loans—can recover damages. Other courts have found that when a tribe has little to do with the lending operation, the lender is not an arm of the tribe and can be sued for damages. The Second Circuit did not find it necessary to decide whether Plain Green was an arm of the tribe, as the lender claimed.

The court also struck down forced arbitration clauses in the loan contracts on the ground that the clauses were unconscionable and "unenforceable because they are designed to avoid federal and state consumer protection laws." **"The decision that payday lenders cannot use tribal arbitration to avoid consumer protection laws is a small victor against forced arbitration clauses that block access to justice, but unfortunately the injustice of forced arbitration was enhanced in a separate decision today by the Supreme Court, making it more difficult for people to band together even in arbitration," said Saunders.**

It is unknown how many online payday lenders use a purported tribal affiliation to avoid state laws, but a 2017 report by Public Justice lists many websites that were still in operation at that time.

For more information, see the National Consumer Law Center's Press Release, "Supreme Court Decision Strikes Blow against Tribal Online Payday Lenders" (May 29, 2014), https://www.nclc.org/images/pdf/pr-reports/pr-scotus-bay-millls.pdf.

Report: Defaulted Federal Student Loan Borrowers in Communities of Color Are Disproportionately Sued

FOR IMMEDIATE RELEASE: APRIL 24, 2019

National Consumer Law Center contacts: Jan Kruse (jkruse@nclc.org) or Persis Yu (pyu@nclc.org); (617) 542-8010

Download the full report: http://bit.ly/2vj2uzz

Boston — Today, the National Consumer Law Center released a report which paints a troubling picture of the efforts by the U.S. Departments of Education and Justice to pursue defaulted student loan borrowers through litigation. "Lamentably, the evidence suggests that communities of color are disproportionately impacted by lawsuits and thus are more likely to suffer the consequences of these judgments," **said *Inequitable Judgments: Examining Race and Federal Student Loan Collection Lawsuits* co-author Margaret Mattes**.

"A federal judgment on a defaulted student loan can be devastating, especially for a low-income borrower," **added co-author Persis Yu, National Consumer Law Center staff attorney and director of NCLC's Student Loan Borrower Assistance Project.** "The concentration of lawsuits against defaulted student loan borrowers in areas with large communities of color increases the urgency of the Department of Education to address the systemic disadvantages faced by student loan borrowers of color."

In addition to the government's general collection authority (wage garnishment, loss of the Earned Income Tax Credit and other tax credits, and withholding of Social Security benefits), a judgment allows the government to put a lien on a borrower's home and take funds from a bank account.

The authors' analysis found that private debt collection attorneys are obtaining most of these judgments. The federal government's use of private attorneys has allowed suits to be brought against borrowers who would not otherwise be the targets of litigation; while federal authorities only sue borrowers with minimum principal balances of $45,000, this figure drops to an astonishing $600 for private attorneys.

The authors found during the period between January 2016 and June 2018 (the time period analyzed):

- **Debt collection lawsuits brought against defaulted student loan borrowers are disproportionately concentrated in areas that are home to communities of color.** Specifically, the zip codes in which defaulted student loan borrowers who were sued live have Hispanic or Latino populations double the national average and triple the average black or African American population.
- **Debt collection lawsuits brought against defaulted student loan borrowers are more concentrated in Texas, Michigan, Pennsylvania, California, and Florida than other states.** This may be because all of the private law firms that pursued suits against more than 50 student loan borrowers between January 2016 and June 2018 are headquartered in four of these five states.
- **Approximately 85% of the cases filed against defaulted student loans borrowers were brought by private law firms that contract with the U.S. Department of Justice on behalf of the Department of Education.**
- **Almost 60% of cases resulted in a default judgment against the borrower.**

Key Recommendations

- The U.S. Departments of Education and Justice should track and make publicly available data in order to track racial disparities in student loans.
- The U.S. Department of Education and Congress should take steps to address and prevent racial disparities in student lending.
- The U.S. Department of Justice should review its guidelines for when to refer cases to litigation to avoid punitive lawsuits against borrowers with low balances and no ability to repay their loans.
- Congress should redefine the definition and consequences of student loan default to ensure that falling behind does not threaten the financial security of borrowers and their families.

National Consumer Law Center Sues U.S.

Education Department to Obtain Copy of Student Loan Servicing Contract

FOR IMMEDIATE RELEASE: APRIL 18, 2019

National Consumer Law Center contact: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

Boston – The National Consumer Law Center (NCLC) filed a federal lawsuit late yesterday against the U.S. Department of Education (ED), asking the court to compel the Department to comply with a Freedom of Information Act (FOIA) request submitted by NCLC on July 17, 2018. NCLC is seeking the release of ED's contract with the Pennsylvania Higher Education Assistance Agency (PHEAA), also known as FedLoan Servicing.

According to the complaint, "NCLC requested documents that ED itself has identified as evidence that it alone is capable of, and responsible for, ensuring the proper servicing of the loans for millions of student loan borrowers."

In March 2018, ED announced its view that federal law preempts state efforts to stop unfair and deceptive actions by federal student loan servicers. In its announcement, ED stated that its contract with its servicers was a basis to support its pronouncement that state regulators and law enforcement agencies are prohibited from enforcing state consumer protection statutes against student loan servicers.

"Servicers who mistreat student loan borrowers and steer them into inappropriate payment plans should not be above the law," **said Persis Yu, an attorney at the National Consumer Law Center and Director of NCLC's Student Loan Borrower Assistance Project.** "The materials sought are of tremendous importance to understanding the $1.5 trillion student loan market, the vast majority of which is held by the Education Department and serviced by its contractors. Understanding what the Department requires from its contractors will improve public understanding of both how servicers are expected to perform and how the Department can better hold servicers accountable."

Yu added, "Despite the legal significance the Education Department ascribes to these materials, the Department has been unable or unwilling to provide those documents in the nine months since it received NCLC's request."

Related NCLC materials

NCLC attorney Joanna K. Darcus testimony to the U.S. House Appropriations Subcommittee on Labor, Health and Human Services, Education re: "Protecting Student Borrowers: Loan Servicing Oversight", March 6, 2019

Comments to CFPB on Proposal to Collect Student Loan Servicing Data (Federal and Private), April 24, 2017

Report: *Pounding Student Loan Borrowers: The Heavy Costs of the Government's Partnership with Debt Collection Agencies*, September 2014

Issue Brief: Making Federal Student Loan Servicing Work for Borrowers, November 2014

Issue Brief: Making Student Loan Servicing Work for Borrowers, June 2014

NCLC Attorney Margot Saunders to Testify at U.S. Senate Hearing on Stopping Illegal Robocalls on April 11; Will Urge FCC to Strengthen Key Federal Privacy Law

FOR IMMEDIATE RELEASE: April 11, 2019
National Consumer Law Center Contact: Jan Kruse (jkruse@nclc.org or (617) 542-8010

NCLC Attorney Margot Saunders to Testify at U.S. Senate Hearing on Stopping Illegal Robocalls on April 11; Will Urge FCC to Strengthen Key Federal Privacy Law

Robocalls increase 370% since Dec. 2015 with 5.2 billion robocalls in March 2019

Full written testimony of National Consumer Law Center Senior Counsel Margot Saunders is available at: http://bit.ly/robo-scourge

Washington – On Thursday, April 11 at 10:00 am ET, the U.S. Senate Committee on Commerce, Science, and Transportation will convene a hearing on Illegal Robocalls: Calling All to Stop the Scourge. "Robocalls have increased 370% percent in less than four years, with over five billion robocalls made just in March 2019," **said National Consumer Law Center Senior Counsel Margot Saunder**s, who will testify at the hearing. "The surge in consumer complaints reinforces the need for the Federal Communications Commission to strengthen the federal Telephone Consumer Protection Act's application to autodialed calls and the right of consumers to withhold their consent to receive these and other robocalls."

In her testimony, Saunders will discuss the skyrocketing problem of unwanted robocalls since the Telephone Consumer Protection Act (TCPA), which is overseen by the Federal Communication Commission (FCC), was enacted in 1991.

"The Telephone Consumer Protection Act is the principal federal law to provide protections against unwanted robocalls. Its key principle is to give *the person being called* control over whether to receive robocalls," **said Saunders**. "The problem is not just calls from overt scams such as identity theft schemes: major well-known American corporations and debt collectors are responsible for hundreds of millions of robocalls each month, and many of these businesses break the law by continuing unrelenting calls to consumers even after being told repeatedly to stop. If the rate of telemarketing calls continues at the current pace, in 2019 there will be over 11 billion telemarketing robocalls made in the United States. Business robocallers complain to be the victim of a TCPA crisis but it's a crisis of their own creation."

Robocalls surged after a 2018 decision from the U.S. Court of Appeals in D.C. that set aside a 2015 FCC order on the question of how to interpret the TCPA's ban on autodialed calls to cell phones without the called party's consent. This decision raised the specter that the prohibition might be interpreted not to cover the autodialing systems that are currently used to deluge cell phones with unwanted calls. "Many of the offending companies are anticipating a caller-friendly response to the many requests they have submitted to the FCC to *loosen* restrictions on robocalls," **said Saunders**. "Congress should make clear that it intends the TCPA to be interpreted to cover the autodialing systems used today."

Saunders' testimony will stress the critical importance of consumer enforcement of the TCPA's restrictions. Without consumer enforcement, robocallers that flood consumers' phones with unwanted calls would have little to fear.

The FCC, under Chairman Ajit Pai, has taken some important steps to address unwanted robocalls, but much more needs to be done. The consumer groups recommend that:

- Congress should pass the TRACED Act, so that consumers can identify who the caller is when calls come in to their phones.
- The FCC should ensure that the TCPA covers all calls and texts to cell phones made with automated equipment. If the FCC definition of an automatic telephone dialing system is not sufficiently broad, consumers will have no protection against a host of types of unwanted calls and text messages.
- The FCC should reinforce consumers' right to consent or withhold consent to receive robocalls, and the right to withdraw any consent that was previously given.
- The FCC should ensure that callers, many of whom are well-known companies, are not allowed to hide behind the third parties they hire to make the calls on their behalf.
- The TCPA rules must remain privately enforceable so consumers may obtain redress for harm and to deter violations of the law.

Saunders will testify on behalf of the National Consumer Law Center (on behalf of its low-income clients), Consumer Action, Consumer Federation of America, National Association of Consumer Advocates, Public Citizen, and U.S. PIRG.

Read more of NCLC's extensive body of work on illegal robocalls:
http://www.nclc.org/issues/robocalls-and-telemarketing.html

New Tax-Time Report: The Return of the Interest-Bearing Refund Anticipation Loan and other Perils Faced by Consumers

FOR IMMEDIATE RELEASE: April 3, 2019

National Consumer Law Center contact: Jan Kruse (jkruse@nclc.org) or (617) 542-8010

Download the full report at: http://bit.ly/2TSpEGK

Boston – Tax time, typically a time for a substantial influx of funds for American consumers in the form of their refunds, was transformed into a time of uncertainty and drastic change this year, as documented in the National Consumer Law Center's report released today: *2019 Tax Season: The Return of the Interest-Bearing Refund Anticipation Loan and other Perils Faced by Consumers*.

"This year's tax season has been a time of turmoil, preceded by the longest government shutdown in history and marked by the inaugural implementation of key provisions of the new tax law," **said Mandi Matlock, of counsel to National Consumer Law Center and co-author of the report**. "The shutdown cost the IRS critical weeks of preparation, and raised questions as to whether the IRS would be able to issue timely refunds."

The confusion and concern may be a boon for lenders and preparers this year. "The tax time financial product market is evolving but unfortunately in the wrong direction," according to **Chi Chi Wu, an attorney at National Consumer Law Center and co-author of the report.** "Taxpayers seeking a 'no-fee' refund anticipation loan may be offered an interest-bearing loan instead this year."