



April 4, 2016

The Honorable Senator Richard Shelby, Chairman
The Honorable Senator Sherrod Brown, Ranking Member
U.S. Senate Committee on Banking, Housing, & Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Shelby and Ranking Member Brown,

On behalf of the Alliance for a Just Society, I am writing to submit this statement for the record of the Committee's April 5 hearing titled "Assessing the Effects of Consumer Finance Regulations."

The Alliance is a network of state-based community organizations that work with people in low-income communities across the country to advance economic opportunity and racial equity. Many of our affiliates' members are affected by the escalating crisis of family debt (including medical debt, mortgage debt, student loan debt, municipal fines/fees, and more). Because of this, we are highly concerned with the prevalence of unfair, deceptive, and abusive practices in the debt collection industry, and we believe the Consumer Financial Protection Bureau should act promptly to establish new rules to protect consumers from collection-related abuses.

The Alliance recently conducted a study of debt collection-related complaints published in the CFPB complaint database. In the two-year sample we examined, covering July 2013 to August 2015, there were nearly 75,000 published debt collection complaints. This study highlighted consumers' experiences of hardship and harassment at the hands of debt collectors, and underscored the need to develop new rules not only for third-party collectors and debt buyers, but also for creditors collecting debts. Please see the attached summary fact sheet and full report for more details on our research findings and recommendations for reforms to protect consumers from debt collection abuses.

While we know some industry interests are intent on undermining the ability of the CFPB to protect consumers, we hope the committee's proceedings will explore the continuing threats of unfair and deceptive financial industry practices facing consumers, both in debt collection and in other areas, and the important role of the CFPB in curbing abusive practices that harm families, communities, and our economy.

Sincerely,

A handwritten signature in black ink that reads "LeeAnn Hall". The signature is written in a cursive, flowing style.

LeeAnn Hall
Alliance Executive Director