

October 16, 2009

Donald S. Clark, Secretary
Federal Trade Commission
Room H-135 (Annex T)
600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: Telemarketing Sales Rule – Debt Relief Amendments – R411001

Dear Secretary Clark:

These comments are being submitted by Consumer Federation of America,¹ Consumers Union,² Consumer Action,³ the National Consumer Law Center on behalf of its low-income clients,⁴ the Center for Responsible Lending,⁵ the National Association of Consumer Advocates,⁶ the National Consumers League,⁷ U.S. PIRG,⁸ the Privacy Rights Clearinghouse,⁹ the Arizona Consumers Council,¹⁰ the Chicago Consumer Coalition,¹¹

¹ Consumer Federation of America is a nonprofit association of some 300 nonprofit consumer organizations across the U.S. CFA advances the consumer interest through research, education and advocacy.

² Consumers Union of United States, Inc., publisher of *Consumer Reports*, is a nonprofit membership organization chartered in 1936 to provide consumers with information, education, and counsel about goods, services, health and personal finance. CU's publications and services carry no outside advertising and receive no commercial support.

³ Consumer Action is a national non-profit education and advocacy organization that has served consumers since 1971. CA serves consumers nationwide by advancing consumer rights in the fields of credit, banking, housing, privacy, insurance and utilities.

⁴ The National Consumer Law Center is a nonprofit organization specializing in consumer issues on behalf of low-income people. NCLC works with thousands of legal services, government and private attorneys, as well as community groups and organizations, from all states that represent low-income and elderly individuals on consumer issues.

⁵ The Center for Responsible Lending is a not-for-profit, non-partisan research and policy organization dedicated to protecting homeownership and family wealth by working to eliminate abusive financial practices.

⁶ The National Association of Consumer Advocates is a non-profit corporation whose members are private and public sector attorneys, legal services attorneys, law professors, and law students, whose primary focus involves the protection and representation of consumers. NACA's mission is to promote justice for all consumers.

⁷ The National Consumers League, founded in 1899, is America's pioneer consumer organization. Its mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad.

⁸ U.S. PIRG serves as the federation of non-profit, non-partisan state Public Interest Research Groups, which take on powerful interests on behalf of their members. The PIRGs have long advocated for a fair financial consumers marketplace.

⁹ The Privacy Rights Clearinghouse is a nonprofit consumer education and advocacy organization, established in 1992 and located in San Diego, CA.

¹⁰ The Arizona Consumers Council has been educating, protecting and advocating on behalf of Arizona consumers since 1966.

¹¹ The Chicago Consumer Coalition advocates for social and economic justice.

the Consumer Assistance Council,¹² the Community Reinvestment Association of North Carolina,¹³ the Consumer Federation of the Southeast,¹⁴ Grass Roots Organizing,¹⁵ Jacksonville Area Legal Aid, Inc.,¹⁶ the Maryland Consumer Rights Coalition,¹⁷ Mid-Minnesota Legal Assistance,¹⁸ and the Virginia Citizens Consumer Council.¹⁹

We applaud the Federal Trade Commission (FTC) for its thorough analysis of the debt relief industry and for the essential amendments that it has proposed to the Telemarketing Sales Rule (TSR) to protect consumers from abusive practices in debt relief, including for-profit debt settlement services, debt counseling services, and debt negotiation services. These amendments are crucial to protecting consumers from deception and ensuring that they do not pay for false promises rather than real results.

Summary of Comments

We strongly support the proposed rule, and in particular these crucial elements:

- **A strong, effective ban on requesting or taking fees in advance of achieving final, documented results for consumers.** We recommend that the results must be based on the consumer's acceptance of the creditor's offer, as documented in writing.
- **Coverage of calls that consumers make in response to advertisements for debt relief services in the general media.** Since for-profit debt counseling, debt settlement, and debt negotiation services are commonly advertised on the Internet,

¹² The Consumer Assistance Council, located on Cape Cod, works with the Massachusetts Attorney General's office to provide consumer information and to mediate complaints.

¹³ The Community Reinvestment Association of North Carolina is a bank watchdog agency promoting and protecting community wealth.

¹⁴ The Consumer Federation of the Southeast is a not-for-profit consumer advocacy group founded in 2003 and dedicated to consumer advocacy in the Southeastern United States. Its goal is to establish a vigorous, new, pro-consumer agenda built upon public awareness, consumer education, and coalition-building.

¹⁵ Grass Roots Organizing is a 501(c)3 nonprofit organization in Missouri, with a membership of more than 450 households. Founded in 2000, GRO's mission is to create a grassroots voice for economic justice and human rights for all Missourians.

¹⁶ Jacksonville Area Legal Aid, Inc. is a nonprofit law firm that provides free legal services to low income, elderly and working poor individuals in 17 counties in Northeast Florida. JALA's consumer law unit focuses on assisting those who have been victims of predatory lending, unfair collection practices and other illegal business practices.

¹⁷ The Maryland Consumer Rights Coalition was founded in Baltimore, Maryland in 2000 to provide a voice for Maryland consumers. Its mission is to advance and protect the interests of Maryland consumers through education and advocacy and to ensure fairness and safety in the marketplace.

¹⁸ Mid-Minnesota Legal Assistance is one of the network of Legal Aid programs in Minnesota that provides legal advice and representation for low-income clients in a wide range of areas, including consumer law, family law, health law, housing and landlord/tenant law, public benefits law, youth law, disability law, and elder law. Among its services, MMLA, through its Legal Services Advocacy Project, engages in legislative and administrative advocacy, conducting research and policy analysis and providing community education and training.

¹⁹ The Virginia Citizens Consumer Council is a statewide grassroots volunteer consumer education and advocacy organization.

on television, or by other means which are designed to induce consumers to make inbound calls, not covering those calls would create a huge loophole.

- **Prohibitions on specific material misrepresentations.** This provides greater clarity to debt relief service providers regarding the types of claims that the FTC will consider to be deceptive.
- **Specific required disclosures about how the service works and other important information.** We recommend that these disclosures be made before the consumer enrolls for the service, whether they have to pay or not at that point.

In addition, we recommend that the TSR should prohibit debt relief services from these other abusive practices:

- **Changing the addresses on the consumer's accounts so that the debt relief company receives the bills and notices, not the consumer.**
- **Instructing or advising consumers to have no further contact with their creditors.**
- **Instructing or advising consumers not to make any payments to their creditors directly.**
- **Making any representations about the percentage or dollar amount by which debts or interest rates may be reduced, or in the alternative, requiring that any representations about results be based on those which are documented by actual customer experience over the prior two years for all of the debt those consumers brought into the program.**
- **Failing to provide a "money-back" cancellation period of at least 90 days in the contract, plus more time if there has been a material breach of the contract or a material violation of law.**

We further recommend that the exemption in TSR for telephone calls in which the sale of goods or services is not completed, and payment or authorization of payment is not required, until after a face-to-face sales presentation should not apply with respect to telemarketing of debt relief services. This exemption could swallow the rule, as well as favor some debt relief providers over others.

In our comments we will address the problems in the debt relief industry and why the proposed amendments to the TSR will help address those problems. We will also explain why specific language changes and additions are needed in order to improve the coverage and workability of the TSR in regard to debt relief services. We believe that strong FTC rules will benefit not only financially distressed consumers but also creditors who are owed money and legitimate debt relief services that truly provide consumers with help for their debt problems.

The Proposed Amendments are Sorely Needed

In its Notice of Proposed Rulemaking (NPR), the FTC has vividly described the pervasive illegal conduct that has occurred as for-profit debt relief services have emerged.

1. Debt settlement services are fraught with problems.

A debt settlement service promises to attempt to settle credit card and other unsecured debts for significantly less than the full amount owed. However, the consumer has to save enough to fund those lump sum settlements to each creditor. Settlement negotiations do not commence until the consumer has saved enough to settle at least one of the debts involved, and there is no likelihood that all of the debt can be eliminated unless the consumer saves a very sizable amount of money. Since multiple debts are often involved, the process may take several years. While the savings period is running, the debts grow in size due to creditor charges for interest and penalty fees. Entering a debt settlement program does not stop the consumer from being called by debt collectors, experiencing negative credit history, being sued for the debt, and having wages garnished after a judgment.

The fee is often calculated on the amount of the consumer's debt or on the projected savings, regardless of whether the debt is ultimately settled or not. As the FTC noted, there are different fee models, but the most common is the "front-end fee" which requires consumers to pay a significant portion of the total amount within the first few months and the balance within a year or less – often well before any negotiations have taken place. Individuals who can't save enough to settle their debts end up paying hundreds, even thousands of dollars but getting no benefit in return. The so-called "flat fee" approach also involves significant fee payments well before any settlement is achieved. For example, the consumer may be charged a set-up fee of from 2% to 4%, plus additional fees until the fees total from 14% to 20% of the full amount of the original debt brought into the settlement program, with the entire percentage fee paid over the first half of the program.²⁰

Non-completion rates are very high and the rate of successful settlements is very low, as we will discuss further in our comments on the proposed prohibition against advance fees.

Earlier this year, Consumer Federation of America (CFA) testified before Congress that debt settlement firms often mislead consumers about the likelihood of a settlement, cannot guarantee that a creditor will agree to a reduced payment, often mislead consumers about the effect of the settlement process on debt collection and their credit worthiness, and charge such high fees that consumers often don't end up saving

²⁰ "Economic Factors and the Debt Management Industry," Richard A. Briesch, PhD, Associate Professor, Southern Methodist University, August 6, 2009, at 12, available at <http://www.consumercreditchoice.org>, see also Keest, *supra*.

enough to make settlement offers that a creditor will accept, causing many consumers to drop out of the program.²¹

The problems consumers face in debt settlement have been much in the news:

- The New York Times reports that consumers rarely benefit from debt settlement services. “More often, they say, a settlement company collects a large fee, often 15 percent of the total debt, and accomplishes little or nothing on the consumer’s behalf.” *Debt Settlers Offer Promises But Little Help*, New York Times, April 19, 2009²²
- The New York Attorney General Andrew Cuomo has called debt settlement a “rogue industry.” *Cuomo Subpoenas Debt Settlement Firms*, Los Angeles Times, May 8, 2009²³
- Debt settlement was identified in the March 2009 issue of *Consumer Reports* as one of five “financial traps.” *Financial Traps are Flourishing, Tough Times Have Bred Five Costly Come Ons: High Fee Debt Settlement*, *Consumer Reports*, March 2009²⁴
- The CBS Morning News says that complaints to the Federal Trade Commission about debt settlement “more than quadrupled between 2006 and 2007.” *Debt Settlement Can Hurt More Than Help*, May 12, 2009²⁵
- Smart Money reports that using these companies is “fraught with risk, not to mention outrageous fees.” *Debt Settlement: a Costly Escape*, August 6, 2007²⁶

The Better Business Bureau of Los Angeles, Orange, Riverside and San Bernardino Counties offers this caution about debt settlement services:

Complaints on these companies allege that creditors continue to harass clients, fees and interest continue to accumulate, and that the companies do not contact the creditors. Usually, creditors turn the claims over to collection agencies, file suit and pursue collection of the money owed to them. Debts are seldom settled, customer's credit is ruined, and many people are sued forcing them to seek

²¹ Testimony of Travis B. Plunkett on behalf of the Consumer Federation of America, the National Consumer Law Center, and U.S. PIRG before the Committee on Commerce, Science, and Transportation of the United States Senate regarding consumer protection and the credit crisis, February 26, 2009, [http://www.consumerfed.org/elements/www.consumerfed.org/File/Plunkett_Testimony_Senate_Commerce_Feb_26\(3\).pdf](http://www.consumerfed.org/elements/www.consumerfed.org/File/Plunkett_Testimony_Senate_Commerce_Feb_26(3).pdf)

²² http://www.nytimes.com/2009/04/20/business/20settle.html?_r=1&emc=eta1

²³ <http://articles.latimes.com/2009/may/08/business/fi-debt-relief8>

²⁴ <http://www.consumerreports.org/cro/magazine-archive/march-2009/money/scams/high-fee-debt-settlement/scams-high-fee-debt-settlement.htm>

²⁵ <http://www.cbsnews.com/stories/2009/05/12/earlyshow/living/money/main5008357.shtml>

²⁶ <http://articles.moneycentral.msn.com/SavingandDebt/ManageDebt/DebtSettlementACostlyEscape.aspx>

bankruptcy protection. Typically, it is difficult to obtain refunds from the companies.²⁷

The FTC and state agencies have brought many cases against debt settlement companies. The FTC case against Edge Solutions, Inc. provides a good example of the types of problems that consumers have encountered with debt settlement services.²⁸ The company allegedly promised to reduce consumers' debts to 55 cents on the dollar; told consumers to stop making payments to their creditors, which would place them in a "hardship condition," making negotiations possible; promised that debts would begin to be paid to creditors within several weeks; required consumers to set up direct debits from their bank accounts to an account controlled by the company, from which their fees and debts would be paid; promised one-on-one financial counseling, which in most cases was never provided; buried in the agreement the fact that consumers must pay 45 percent of the total fee upfront before any payments would begin to creditors and that this might take several months; failed to negotiate with and pay creditors as promised; and caused consumers to incur late fees, finance charges, overdraft charges, and negative information on their credit reports, and to face various types of legal action by creditors.

In its Congressional testimony, CFA concluded that, "The essential promise made by debt settlement firms to the public, that they can settle most debts for significantly less than what is owed, is often fraudulent. There is general consensus that credit counseling, if done well, can provide significant benefits for some financially distressed consumers. No such consensus exists for debt settlement."²⁹

2. The proposed amendments wisely cover all types of for-profit debt relief services.

The FTC has taken the correct approach in covering all types of for-profit debt relief services in the proposed amendments to the TSR. While they may operate differently,³⁰ for-profit debt counseling, debt management, and debt negotiation services share some of the same characteristics as debt settlement services (in fact, sometimes the terms debt settlement and debt negotiation are used interchangeably). These businesses often charge significant fees upfront and make representations that lead consumers to believe that they will get debt relief in return – representations that are sometimes false.

²⁷ <http://www.la.bbb.org/BusinessReport.aspx?CompanyID=100046948>

²⁸ See FTC press release at www.ftc.gov/opa/2008/08/edge.shtm.

²⁹ Testimony of Travis B. Plunkett on behalf of the Consumer Federation of America, the National Consumer Law Center, and U.S. PIRG before the Committee on Commerce, Science, and Transportation of the United States Senate regarding consumer protection and the credit crisis, February 26, 2009, [http://www.consumerfed.org/elements/www.consumerfed.org/File/Plunkett_Testimony_Senate_Commerce_Feb_26\(3\).pdf](http://www.consumerfed.org/elements/www.consumerfed.org/File/Plunkett_Testimony_Senate_Commerce_Feb_26(3).pdf)

³⁰ Debt management services offer to make arrangements for consumers to pay their entire debts with reduced interest rates and fees and over longer periods of time; debt negotiation firms offer to make consumers' debts more affordable by obtaining lower interest rates and other concessions from the creditors.

A 2003 report³¹ by the National Consumer Law Center (NCLC) and CFA about credit counseling and debt management programs described problems with some debt management services, including: failing to make consumers' debt management program on time, or at all; deceptively claiming that fees are voluntary; not adequately disclosing fees; charging excessive fees; and falsely purporting to be nonprofit organizations. The report also noted that newer entrants in the industry were generally more aggressive in their marketing tactics, particularly with Internet and telemarketing advertising.

The FTC has cited many enforcement actions against debt counseling and debt negotiation services that illustrate the need to protect consumers by bringing these companies under the amendments to the TSR. For instance, in the largest debt management cases ever brought by the FTC, AmeriDebt allegedly misled consumers into believing that it was a nonprofit credit counseling service that would teach them how to handle their debts.³² Instead, it enrolled them in debt management plans operated by a service provider. Furthermore, contrary to AmeriDebt's claims that there were no upfront fees, it kept consumers' initial payments as fees rather than disbursing them to creditors as promised.

In the case against Debt Solutions, Inc., the FTC alleged that the company charged consumers hundreds of dollars for a "debt elimination program" that, despite its claims, did not greatly reduce interest rates or result in thousands of dollars in savings as represented.³³ Furthermore, consumers were not told that the promised savings would take decades to achieve and that the majority of savings would come from increasingly paying more towards their debts every month, not from reduced interest rates.

To protect consumers from deception and abuse, all types of for-profit debt relief services should be covered by the proposed amendments. If debt counseling and debt negotiation services were not included, some debt settlement companies might try to escape the requirements and prohibitions by claiming to be engaged in those businesses instead. Furthermore, as the FTC has seen, some companies provide a range of debt relief options. For instance, Debt-Set offered a "debt consolidation program" for consumers whose unsecured debts were overdue by one month or less and a "debt settlement program" if the debts were overdue by a longer period.³⁴ The FTC must be careful not to create any loopholes that would allow some businesses to escape the rules that apply to their competitors.

We agree that "product" should be added to the definition of debt relief service so that the rules cannot be evaded by recasting the service as a product. In addition, we suggest adding "or seek to alter" to the definition to avoid creating a loophole for services

³¹ "Credit Counseling in Crisis: The Impact on Consumers of Funding Cuts, Higher Fees and Aggressive New Market Entrants," National Consumer Law Center and Consumer Federation of America, April 2003, http://www.consumerfed.org/elements/www.consumerfed.org/file/finance/credit_counseling_report.pdf

³² See FTC press release at www.ftc.gov/opa/2008/09/ameridebt.shtm.

³³ See FTC press release at www.ftc.gov/opa/2007/05/dsi.shtm.

³⁴ See FTC press release at www.ftc.gov/opa/2008/02/debtreduct.shtm.

that might simply claim to *attempt* to alter the terms of the debt. The revised definition in § 310.2 (m) would read:

Debt relief service means any **product or** service represented, directly or by implication, to renegotiate, settle, or in any way alter **or seek to alter** the terms of payment or other terms of the debt between a consumer and one or more unsecured creditors or debt collectors, including, but not limited to, a reduction in the balance, interest rate, or fees owed by a consumer to an unsecured creditor or debt collector.

Key Aspects of the Proposed Amendments

1. Advance fees must be prohibited to prevent substantial consumer injury.

We strongly support the proposed restriction in section 310.4 (a) (5) to ban fees in advance of consumers actually getting the services they are paying for. The FTC has proposed that debt relief services should not request or receive any payment until providing the customer with documentation that the particular debt has been renegotiated, settled, reduced, or otherwise altered. We agree that this is essential to protect consumers from the substantial injury that is caused when they pay fees upfront and little or no services are ever rendered.

Consumers pay significant fees for debt relief services, often before any services are actually provided.

Consumers pay significant amounts of money for debt relief services. For instance, Homeland Financial Services and four other companies charged non-refundable fees of up to 15 percent of consumers' unsecured debts with the promise of reducing those debts by as much as 40 to 60 percent.³⁵ This seems to be typical of debt settlement companies; whether the fees are based on the total amount of debts or the projected savings, they appear to range from 14 to 20 percent.³⁶ For instance, for debts totaling \$25,000, the consumer would pay \$3,500 to \$5,000 if the fee was based on the amount of the debt, which seems to be the most common method of calculation. This is a very large amount of money, especially for consumers who are already in financial distress.

Furthermore, as in the case of Homeland Financial Services, negotiations with the creditors usually begin only after the consumer has paid a large percentage of the fees. One company representative at the FTC's September 2008 Public Workshop on "Consumer Protection and the Debt Settlement Industry" indicated that in the front-end fee models consumers could pay 40 percent or more within the first three or four months,

³⁵ See FTC press release www.ftc.gov/opa/2006/09/nationwide.shtm.

³⁶ See comments to the FTC by The Association of Settlement Companies, December 1, 2008, page 2, <http://www.ftc.gov/os/comments/debtsettlementworkshop/536796-00036.pdf>.

65 percent within six months, “without any results at that point.”³⁷ We also note the comments at that workshop of the United States Organization for Bankruptcy Alternatives acknowledging that “Some business models call for the fee to be paid up front in its entirety, over the first several months of the program prior to any negotiating with creditors takes (sic) place.”³⁸ The flat fee model, the second most common according to industry representatives at the workshop, works similarly, with the entire amount collected over the first half of the enrollment period.

As we commented previously, debt settlement negotiations cannot start until consumers have saved enough money for the service to make offers to their creditors. That can take years, depending on the amount of the debt, the willingness of various creditors to cooperate, and the consumer’s capacity to save. For consumers with multiple debts, negotiations are typically initiated in sequence; when one is settled, the consumer starts saving for the next. This stretches the process out even further. Debt settlement companies typically advertise that they will help consumers become “debt free” within two to four years; none claim that they can resolve debt problems in less than 12 months.³⁹ Part of the reason why the process takes so long is that in addition to saving funds toward a settlement, consumers are paying a substantial portion of the fees upfront.

Meanwhile, the consumers are instructed not to make any payments to their creditors, or even to have any contact with them. Even if a settlement company does not explicitly direct customers not to pay their creditors, such encouragement is implicit. There is simply no way that the vast majority of highly indebted consumers can save enough to make a viable settlement and pay fees without reducing or eliminating the payments they make to creditors. By the time settlement negotiations begin, if at all, consumers’ debts have become higher because of interest and penalties, and the amount of money at their disposal has been reduced by the fees they have paid, diminishing the chances that they will be able to make viable offers to their creditors.

For-profit debt negotiation and credit counseling companies also charge significant fees before providing services. Debt Solutions charged \$399 to \$699 in advance for its debt negotiation “program.” Consumers paid \$675 upfront to Select Management Solutions, which promised to reduce their credit card interest rates. When the service, which consisted of three-way telephone calls with their credit card companies, did not produce the results that consumers were led to expect, the company allegedly refused to honor its refund policy.⁴⁰ National Consumer Council,

³⁷ See US Debt Resolve (Johnson), Tr. at 72-74 mentioning that 40 percent or more is collected within the first three or four months and the rest in 12 months or less and again at Tr. 108 that 65 percent of the fees will be paid in 6 months “and the client won’t have any results at that point in time.”

³⁸ See <http://www.ftc.gov/os/comments/debtsettlementworkshop/536796-00022.pdf>, page 12.

³⁹ See Debt Consolidation Care at <http://www.debtconsolidationcare.com/debt-settlement.html>, Fidelity Debt Solutions at <http://www.fidelitydebt.net/debt-consolidation-lp1.html?s=gaw&kw=Debt%20Settlement&gclid=CIayr5ikip0CFQ62sgod9xz32Q>, FixYourDebtProblems.com at <http://www.fixyourdebtproblems.com/debt-relief-help-settlement/>, Debtamerica Relief at http://www.debtamerica.com/a/debtsettlement_google.html?gclid=CND21LGmip0CFSTFsgodqlEd3g.

⁴⁰ See FTC press release at www.ftc.gov/opa/2008/08/smsomax.shtm.

masquerading as a nonprofit credit counseling service, debited \$500 from consumers' banks accounts as an "establishment fee" and \$50 per month thereafter from the monthly payments that consumers thought were going to their creditors, without disclosing that the company would not start negotiating a payment plan with creditors until 6 months or longer had elapsed.⁴¹

Disclosures and prohibited misrepresentations, no matter how effective, are inadequate to prevent substantial injury by themselves. Unjustified fees and abusive practices must also be prohibited.

While the disclosure requirements and prohibitions against misrepresentation that the FTC has proposed are helpful, they alone are not sufficient to prevent the substantial injury that the FTC has described. As the FTC has correctly pointed out, when consumers are considering debt relief services, they have no way to know whether the representations being made are true or not; they can only judge that after they have enrolled (sometimes long after), when the programs have either produced results or failed to do so.

Furthermore, consumers who need help with debt problems are often in very stressful situations. A survey CFA recently conducted showed that the fastest growing complaints that state and local consumer protection agencies received last year were about aggressive debt collection practices.⁴² As the FTC noted in the NPR, this makes consumers very vulnerable when they respond to solicitations that promise them relief. The required disclosures that the FTC proposes will help consumers understand the total cost of debt relief services, how they work, and what other alternatives may be available. But desperate consumers will tend to focus most on the representations made in the advertisements about how these services can relieve them of their debt worries. We see the required disclosures and prohibited misrepresentations as good complements to, but not substitutes for, the proposed ban on advance fees.

It is abusive to charge fees in advance for services when most consumers do not benefit.

The information that the FTC and state agencies have gleaned from enforcement actions against debt relief companies revealed extremely low success rates. The vast majority of consumers who signed up for those services derived absolutely no benefit in exchange for the fees they paid. For example, in the case against National Consumer Council, the court-appointed receiver found that only 1.4 percent of consumers obtained the promised results.⁴³ In recent New York cases against debt settlement companies, the

⁴¹ See FTC press release and link to complaint at <http://www.ftc.gov/opa/2004/05/ncc.shtm>.

⁴² See press release with link to "2008 Consumer Complaint Survey Report," July 30, 2009, <http://www.consumerfed.org/elements/www.consumerfed.org/File/Consumer%20Complaint%20Survey%20Report%20PR%207-30-09.pdf>.

⁴³ See FTC press release at <http://www2.ftc.gov/opa/2005/03/creditcounsel.shtm>.

state attorney general alleges that only 1 percent and 1/3 percent of consumers received the services they were promised.⁴⁴

The Center for Responsible Lending (CRL) testified in Congress in 2009 that the debt settlement business is inherently problematic because it specifically targets consumers who are least likely to complete their programs. CRL said that the business model which requires consumers to pay between 14 and 20 percent of their debt in fees before they can reach a settlement means that few were likely to benefit and most were likely to drop out because they could not keep up the monthly payment to the debt settlement company and save funds for settlements at the same time.⁴⁵

In case after case against various types of for-profit debt relief services, the FTC has found that very few, if any, consumers got real help with their debt problems after having paid hundreds, even thousands of dollars in fees. We agree with the FTC that it is an abusive practice to charge consumers in advance for debt relief services that they are likely never to receive. Not only do financially distressed consumers lose what little money they have left to the high fees charged by these companies, but they are left worse off than they were before when the promised results are not achieved, facing higher debts, further damage to their credit records, and the possibility of lawsuits and wage garnishment. In this respect, the consumer harm is more severe than in situations involving recovery services, credit repair, and advance fee loans.

Furthermore, even in the minority of situations where the results are achieved, that is often long after the consumer first enrolled. In the meantime, it is not clear what services have been provided for which the firms should be compensated beyond a de minimus amount, as we will discuss later. This situation is very similar to that of credit repair, in which there is little evidence of success and a long lag time before results, if any, are achieved. The approach that Congress took in addressing this problem was to enact the Credit Repair Organization Act, which bans advance fees.⁴⁶ That is the correct approach here.

Industry has not provided reliable, credible empirical evidence of the value or success of for-profit debt relief services.

There has been no reliable, credible empirical evidence from industry of the value or success of for-profit debt relief services. In researching the debt settlement industry for a 2005 report, NCLC found that it was very difficult to obtain information from companies or industry associations and was forced to conclude that “Unfortunately, it is

⁴⁴ See press release at www.oag.state.ny.us/media_cetner/2009/ma/may19b_09.html.

⁴⁵ Testimony of Kathleen Keest on behalf of CRL, CFA and NCLC before the House Committee on Energy and Commerce, Subcommittee on Commerce, Trade and Consumer Protection, May 12, 2009, www.responsiblelending.org/credit-cards/policy-legislation/congress/ftc-ccdp-testimony-5-12-2009-final.pdf

⁴⁶ 15 U.S.C. § 1679 et. seq.

not easy to determine what the companies actually do to earn these fees.”⁴⁷ As the FTC has noted, what little information has been provided by the debt settlement industry fails to show the success rate – that is, the number or percentage of consumers who pay for services and fully achieve the promised results.

A recent study⁴⁸ released by Americans for Consumer Credit Choice (ACCC) does not provide this evidence. There is no list or other information about the ACCC’s members on its Web site, but it appears to be a debt settlement industry group.⁴⁹ The study is based on data of 4,500 customers from only one debt settlement company, which is not identified. The author contends that this is a “very significant sample of consumers in this industry.”⁵⁰ However, there is no information about what percentage of the company’s customers, or of the industry as a whole, this represents to support that contention. There is also no information about the company’s fee structure.

The author points to other limitations – for instance, the company does not retain information regarding offers and settlements for consumers who dropped out of the program – and acknowledges that the results from this company may not be applicable to the industry as a whole.

We also note that there is no explanation of how this company was selected for the study, or by whom. While the data cannot be taken as representative of all debt settlement companies, if this is an example of the industry at its best, it reveals some serious shortcomings. For example, a shocking 60 percent of customers cancelled their participation in the program before completing it. The author touts this drop-out rate as better than the 80 percent⁵¹ or more that some have described as typical of debt settlement and compares it favorably with the churn rate for subscription services such as mobile phones.

We would not characterize the majority of customers dropping out of a debt settlement program before completing it as a good result, especially when there is no evidence that any of the drop-outs settled even one of their debts through the company’s efforts. Furthermore, the comparison to the churn in the wireless phone industry does not fit. Cell phone customers don’t usually pay in advance of receiving the service, as debt settlement customers do. And many undoubtedly switch their wireless service provider because another one has offered them a better deal. It’s unlikely that debt settlement customers drop out because another debt settlement company has offered them a better deal.

⁴⁷ “An Investigation of Debt Settlement Companies: An Unsettling Business for Consumers,” National Consumer Law Center, March 2005,

http://www.nclc.org/issues/credit_counseling/content/DebtSettleFINALREPORT.pdf

⁴⁸ “Economic Factors and the Debt Management Industry,” Richard A. Briesch, PhD, Associate Professor, Southern Methodist University, August 6, 2009, available at <http://www.consumercreditchoice.org>

⁴⁹ The August 7, 2009 press release states that “ACCC, with other industry and interested groups” requested the study, see <http://www.consumercreditchoice.org/node/4>.

⁵⁰ Id page 15.

⁵¹ “Look Out for That Lifeline, Debt Settlement Firms are Doing a Booming Business – And Drawing the Attention of Prosecutors and Regulators,” BusinessWeek, March 6, 2008

Given the predominant front-loaded fee structure in the debt settlement industry and the fact that the customers of this company who cancelled had been in the program for a median of 5 to 6 months (and some for much longer), we can assume that many paid a substantial portion of their fees before dropping out. The report provides explanations for why some customers cancelled (13.5 percent of the drop-outs filed for bankruptcy, 6.8 percent were unable to save, 9.2 percent had “buyer’s remorse” within the first 2 or 3 months, and 14 percent settled on their own or were going to try to do so), but there is no explanation for why more than half (56 percent) of those who dropped out did so. Some may well have been discouraged after paying fees for months and getting no satisfactory results. It also seems clear that, with such a high cancellation rate, the settlement firm was enrolling customers in the program for whom it was not appropriate in the first place. In fact, it seems likely that this company made little or no effort to determine suitability at all, which we believe should be a requirement for all debt relief services.

Of the 40 percent still in the program, the report does not make clear how many had actually settled even one of their debts. The report provides results only “conditional on” settlement of one debt or receipt of one settlement offer. No statistics are provided in the published report for the people who had no debts settled. CFA asked the author and was told orally that 55.7 percent of those who did not drop out had settled at least one debt. That means that 44.3 percent of those still in the program had not settled any debts at all. And of the total of 4,500 customers in the study, only 22 percent had settled even one debt.

The 40 percent remaining in the program at the time of the study had been in it for at least 12 months; some had been in for 18 months and some for 24. It is possible that more of these customers may eventually settle at least one debt, and that those who have already settled at least one debt may settle more. It is also possible that more customers may drop out without settling any debts.

Since there are no statistics based on customers actually completing the program, which supposedly takes 36 to 48 months, the study does not answer the fundamental question that the FTC has long posited – what is the number or percentage of consumers who pay for debt relief services and fully achieve the promised results of the elimination of debt?

Furthermore, the fact that the rate of offers was higher than the rate of settlements (for those who had settled at least one debt) shows that not all offers are acceptable. Some offers may be for more money than the consumers can afford, and some may be rejected because they are not as good as consumers were led to expect. At any rate, the percentage of offers made, which is highlighted in the report to demonstrate the value of this company’s services, cannot be used as a real measure for success.

The author of that study argues that prohibiting any fees until debt relief services have actually been provided is analogous to forbidding insurance companies from

collecting premiums until a claim is filed. But when consumers buy insurance they receive a legally binding commitment that the company will pay in the event of specific future events. For-profit debt relief services cannot make similar promises of specific results, even if they attempt in good faith to help consumers. First, creditors are under no obligation to agree to settle debts, reduce interest or enter into payment plans. Indeed, as some creditors say they choose not to deal with for-profit debt relief services at all.⁵² Second, these services have no control over whether their customers will be willing or able to accept and fund any offers that creditors may make.

Nonprofit credit counseling services have ongoing relationships with creditors and understand what their payment requirements are. They determine in advance if consumers can afford acceptable payment plans and, if not, provide advice about other alternatives such as bankruptcy. There may be a modest consultation fee or set-up fee, but the charges for administering debt management programs are usually assessed on a “pay as you go” basis for the services provided. From the information available about for-profit debt relief services, it appears that they charge significant fees early on in the programs without any reasonable assurance that they can help consumers and without providing real educational or other services. There is no reliable, credible evidence that even a majority of their customers get the relief they have paid for.

The advance fee ban must not be weakened by preconditioning its application on guaranteeing or representing a high likelihood of success.

The FTC’s questions ask whether there is another formulation of the advance fee ban that would be more appropriate than a ban conditioned on the provision of the promised goods or services. The answer is no.

Limiting the ban only to instances of a guarantee or representation of a high likelihood of success has been made would create numerous opportunities for evasion. First, an impression or expectation of future success could be created by the lead generator, rather than the representations of the direct seller or telemarketer. Once an impression of likely success has been created, it could be very hard to dispel. Furthermore, and most fundamentally, the very reason that a consumer would use a debt relief service is to get their debt problems resolved. A rational consumer would not sign up without the expectation of a high likelihood that he or she would get satisfactory results.

In essence, the expectation of a high likelihood of success is inherent in the customer's acceptance of a debt relief service. A representation of success should not have to be shown as a separate requirement for application of an advance fee ban. Such a limitation would very significantly undercut the value of a ban. In fact, we believe that

⁵² See comments made at the FTC’s September 2008 public workshop on debt settlement by American Express (Flores), Tr. 142-43, and the ABA (O’Neill), Tr. at 96-97; see also comments by Bank of America in “Look Out for that Lifeline, Debt-Settlement Firms are Doing a Booming Business – and Drawing the Attention of Prosecutors and Regulators,” BusinessWeek, March 6, 2008.

representations of success should not be allowed at all, for reasons that we will explain later.

The FTC also asks whether there are alternatives to an advance fee ban that would sufficiently address the problem of low success rates in the debt settlement industry. There are not.

A small initial fee may be acceptable in limited circumstances.

Some claim that for-profit debt relief services are entitled to front-loaded fees because of they provide assistance to the customer or provide value at the onset. This is not supported by the facts. There is no evidence that these companies provide meaningful consumer education, and even if they did, that would not justify charging hundreds, let alone thousands of dollars. Until satisfactory outcomes for customers are actually accomplished – setting up a debt management plan, settling the debts, or negotiating changes to the debts – the basic service that is promised is not rendered even if some minor preliminary steps to provide a possible future agreement have been taken. The concerns expressed by some companies about how to get customers to pay their fees are somewhat ironic – how can they represent with confidence that customers will be able to pay off their debts through their programs when they are not confident that the customers will have sufficient funds to pay them? At any rate, those concerns are outweighed by the concerns about substantial injury to consumers when they pay in advance for debt relief services that may never be provided.

A small initial fee could be reasonable when a debt relief service performs substantial work at the onset such as conducting a real, individualized financial analysis to determine if the program is suitable for and will result in a tangible net benefit to that consumer. Such a fee should be capped at \$50, to avoid reintroducing the market incentive to sign up people who are unlikely to benefit from the service. Several states have enacted laws that limit the set-up fee that debt settlement services can charge to \$50 or less.⁵³ Set-up or enrollment fees for debt counseling services are also limited in some states; for instance, Arizona caps them at \$39.⁵⁴

Adequate proof of results must be provided before fees may be requested or paid.

It is essential that consumers be provided with adequate documentation that their debts have been renegotiated, settled, reduced, or otherwise altered before payment can be requested or received. The FTC's proposal describes the types of documentation that would be acceptable but does not specify the form in which it should be provided. This portion of the proposed rule should be clarified to specify that the documentation be provided to the consumer *in writing* and be *from and binding on the creditor*.

Furthermore, for debt settlements, it is extremely important that the documentation show that debt has been fully settled for a specific dollar amount. A fully

⁵³ Florida, Oregon, Iowa, North Carolina, and Kansas

⁵⁴ National Consumer Law Center, Fair Debt Collection, section 12.3, 6th edition 2008 and Supp.

executed debt settlement agreement is the preferred document. Other documents should be considered only if they are equally binding. This is particularly important in order to avoid any confusion about what can trigger an allowable fee – actual settlements, not unaccepted offers to settle, and not preliminary conversations between a debt settlement service and a creditor.

Finally, we are concerned that debt relief services may assert that they should be able to charge fees if they have obtained offers from consumers' creditors, even if the consumers do not accept them. As the ACCC study of one debt settlement company illustrated, not all offers are accepted. Allowing fees to be collected based on offers could provide incentives to negotiate offers that do not reduce or alter the debt in any significant way and that do not benefit consumers. We do not believe that this is what the FTC intended and the amendment should make clear that the fee payments are contingent upon, and payable no earlier than, on consumers having accepted binding settlement offers made by creditors.

Fees should not be disproportionate to the results achieved.

The proposed ban on advance fees for debt relief services would mean that fee payments could no longer be disproportionate to the results that are actually achieved in terms of the elimination of the debts. For instance, if a consumer asked a debt settlement company for help with three debts, a fee would be paid for each debt as it is settled; the consumer could not be asked to pay a fee based on the total amount of all three debts when only one has been settled and the other two are still outstanding.

In the case of debt management plans, payments to creditors are not made in a lump sum but are spread out in monthly installments. If we understand the FTC's intentions correctly, under the proposed amendment the debt management company would take a portion of the fee each month when it makes the payments to the consumer's creditors. However, the language in the proposed amendment does not make this clear. We are concerned that consumers could be required to pay the entire amount or a significant portion of their fees at the time that they are *enrolled* in a debt management plan, giving them no protection if the service stopped forwarding their payments to their creditors.

To address this and other issues we have raised, we suggest that proposed § 310.4 (5) be revised to read:

Requesting or receiving payment of any fee or consideration from a person for any debt relief service until **the customer has agreed to the creditor's offer** and the seller has provided the customer with **written** documentation in the form of a settlement agreement, debt management plan, or other such valid contractual agreement, **from and binding on the creditor,** that the particular debt has, in fact, been renegotiated, settled, reduced, or otherwise altered **and that shows the specific dollar amount, interest rate, or other terms as applicable, and in the case of debt**

settlement, that shows that the debt has been settled and released.
With respect to a debt management plan that calls for making
payments over time to a creditor, no fee may be received earlier than
the proportional amount of progress made toward reducing the debt.

The advance fee ban as structured will not prohibit consumers from using legitimate escrow services.

We agree that the ban on advance fees will not prohibit consumers from using legitimate escrow services that they control in order to save money in anticipation of a settlement, including money that may eventually be used to pay a debt service provider. However, it is crucial that no fees can be deducted by or on behalf of the debt relief company until the services have been provided and consumer has been given the required documentation. We are concerned about business models in which the consumers open accounts with third-party services and give the debt settlement services a power of attorney to remove the fees from those accounts. This arrangement is described in some detail in a California case involving Nationwide Asset Services.⁵⁵

Any escrow arrangement must give the consumer, and only the consumer, the right to withdraw the funds at any time. Furthermore, the consumer should be able to choose the escrow service and not be obliged to use one that assesses higher fees than other bank accounts of the same type.⁵⁶

2. Other abusive practices should be prohibited.

In addition to banning fees in advance of actually providing debt relief services, there are other abusive practices that should be addressed by the TSR in order to provide adequate protection for consumers.

Changing the addresses on consumers' accounts so that the debt relief company receives the bills and notices, not the consumer, should be prohibited.

This prevents consumers from receiving notices about penalties, referral to collection, and other impending actions – information consumers need in order to protect their interests pending any reduction, settlement or other negotiated resolution of the debt.

⁵⁵ California Department of Corporations vs. Nationwide Asset Services, Inc., No. 38300, 4-5, August 4, 2006, <http://www.corp.ca.gov/OLP/pdf/oah/N2005120755.pdf>

⁵⁶ Taking a power of attorney over any bank account held in the name of the consumer or held by any third party should be determined to be an unfair business practice. It is inherently deceptive to encourage the consumer to open a bank account and then take the right to remove funds directly out of that bank account by a power of attorney. If the consumer wishes to authorize an electronic debit from his or her bank account, the federal Electronic Fund Transfer Act provides the framework for that transaction, including a right to cancel an authorization for preauthorized periodic payments.

Instructing or advising consumers to have no further contact with their creditors should be prohibited.

This prevents consumers from responding to notices and offers for direct negotiations from their creditors and could worsen their situations by prolonging their debt problems and increasing the fees that they must pay to the debt relief services and the likelihood of lawsuits and other adverse actions. It may also prevent the consumer from receiving information about how high the debt has grown during the delay for debt settlement/negotiations.

Instructing or advising consumers not to make any payments to their creditors directly should be prohibited.

This prevents consumers from making even minimum payments to their creditors in order to forestall or reduce the risk of penalties, damage to their credit reports, lawsuits, and other adverse actions while they are waiting for the debt relief services to be rendered.

Making any representations about the percentage or dollar amount by which debts or interest rates may be reduced should be prohibited.

This is inherently misleading because each person's debts and capacity to pay them is different. Furthermore, there are varying levels of cooperation among creditors; some will not even deal with for-profit debt relief services at all. Even if a debt relief service has a high rate of success overall, the success rate does not guaranty that every customer will achieve the same results. Moreover, fine-print disclaimers do little to dampen the expectations created by such claims.

Representations of results are also misleading when they are not regularly achieved for *all of the debts* for a significant majority of the customers. For example, suppose that a debt settlement company regularly settles half of the debts for half of the initial debt amount – an assumption which we believe is very optimistic in light of high drop out rates. If half of the debts are settled, that means that the debt settlement company's customers still owe the full amount, plus new creditor interest charges, on the remaining unsettled half of their debts. It would be very misleading to claim: "We settle debts for 50 cents on the dollar," in this circumstance. A consumer who had started debt settlement with two debts of \$12,000 each and had one debt settled for \$6,000 would have paid the \$6,000 settlement and still owe \$12,000 – that consumer would be on the hook for 75 cents on the dollar in remaining debt and the payment for the settlement, not even counting the amount of the debt settlement company's fees.

We believe that a prohibition against making any representations about the percentage or dollar amount by which debts or interest rates may be reduced is the best way to protect consumers from expectations that may not be fulfilled. If this recommendation is not adopted, we suggest as an alternative a ban on **making any representation about the percentage or dollar amount at which a debt may be**

reduced or the amount a consumer may save unless the provider maintains evidence that the represented result was achieved for all debt enrolled in the program for at least 80% of the clients who began the service in the most recent two calendar years. Evidence supporting claims of results should be verified by an independent audit.

However, if any representations about the percentage or dollar amount by which debts or interest rates may be reduced are allowed, there should also be a required disclosure that those results cannot be guaranteed for each individual customer. Furthermore, debt relief companies should be required to submit their audits to the FTC so that the information is publicly available.

Failing to provide a “money-back” cancellation period of at least 90 days in the contract, plus more time if there has been a material breach of the contract or a material violation of law should be prohibited.

A cancellation period gives consumers time to assess whether a product or service is right for them. In the case of debt relief services, a minimum of 90 days to cancel with return of all monies paid except for payments that have already been made to creditors would enable consumers to make that assessment and provide a disincentive for debt relief services to market to and contract with consumers who are not likely to benefit from the services.

We also suggest that consumers should have the right to cancel in the event of a material violation of law or breach of contract by the seller. This would protect consumers from the worst actors and give a competitive advantage to sellers who honor the law and comply with their contractual promises.

3. Inbound calls for debt relief services must be covered by the rule.

We strongly support the extension of the existing telemarketing sales rule’s disclosure and misrepresentation provisions to inbound calls to debt relief services. Limiting the coverage only to outbound calls would ignore the marketing realities and allow a very large loophole in the TSR to continue. For-profit debt counseling, debt settlement, and debt negotiation services are commonly advertised on the Internet, on television, and by other means which are designed to induce the consumer to make an inbound call. Protecting the consumer from misrepresentation and requiring disclosure of key information only for those potential debt relief customers who receive a phone call, rather than also for those who are induced by an advertisement to make a phone call, would make no policy sense, leave a large loophole in place, encourage evasion of the rules, and give a competitive advantage to those who use advertising to induce inbound calls.

An additional reason that inbound calls must be covered is the role of lead generators. For example, National Consumer Council used pre-recorded messages left on consumers’ answering machines as well as direct mail to induce consumers to call in order to generate leads for several other companies. Both the representations used to

induce calls from consumers and those made during the calls should be covered. The TSR should make clear that it applies to lead generators. Furthermore, we believe that the debt relief providers who accept those leads to should be held responsible for the representations made to generate them, including those made during inbound calls.

4. We support the disclosures required in the proposed amendments.

Consumers must be told the truth about the debt relief services. It is very important that the current general disclosure requirements under the TSR apply to inbound calls for debt services as well as outbound calls, as the FTC has proposed. We also agree that the additional disclosures pertaining to debt relief services are needed. They will help consumers understand exactly how these services work, what to expect from them, and whether they are likely to serve their needs. Combined with the advance fee ban, the disclosures would provide strong consumer protection.

The disclosures will also help consumers understand their own obligations and the impact that the services may have on them. For example, it is crucial for consumers to know that contracting with a debt relief service will not necessarily prevent their creditors from taking collection action, that their credit ratings may be affected, and that the savings they may realize may be considered taxable income, and that the debt balance increases when payments are not being made.

We understand that payments for debt relief services are often debited from consumers' bank accounts within a few days after they have enrolled in the programs. However, if the disclosures are designed to help consumers make informed decisions about whether to sign up or not, they need the information *before* making the contractual commitment even if the payment will be later. Therefore, we suggest that § 310.3 (a) (1) could be improved to provide greater protection to consumers, not just for debt relief services but in other types of telemarketing sales as well, if it required the disclosures to be made before the earlier of payment or an *obligation* to pay. The revised subsection would read:

Before **the earlier of payment or an obligation to pay for goods or services offered**, and before any services are rendered, failing to disclose truthfully, in a clear and conspicuous manner, the following material information:

5. Prohibitions against specific misrepresentations are useful.

We agree with the FTC that it is useful to add a specific prohibition in § 310.3 (a) (2) (x) against misrepresenting any material aspect of a debt relief service, such as the amount of money or percentage of debt that consumers must accumulate before negotiations with their creditors are initiated, the effect of the service on collection efforts, how many consumers attain certain results, and whether the service is nonprofit. This provides greater clarity to debt relief service providers about what they can and cannot do.

6. The exemption for transactions that are not concluded until after a face-to-face sales presentation should not apply to debt relief services.

We believe that the exemption under § 310.6 (a) (3) should not apply to debt relief services. Even if the exemption may have made sense for certain types of telemarketing sales, in the sale of services to be delivered in the future such as debt relief, the fact of a face-to-face meeting simply does not create a sufficient safeguard. It would be far too easy for the real sales process to occur by phone or other remote means and then a simple signing meeting to be used to escape all application of the rule.

Furthermore, a face-to-face exemption could create the anti-competitive result in which industry players who deal with potential customers only via the Internet or phone must adhere to standards of disclosure, non-misrepresentation, and the very important advance fee restriction, while those who arrange for a face-to-face meeting do not.

Conclusion

The “police the marketplace” approach taken by the FTC will protect not only consumers but any legitimate debt relief services that actually provide real benefits to consumers. Those debt relief services will be entitled to fees, and should have a better chance of succeeding in the marketplace when their competitors are stopped from taking significant fees without achieving real debt relief.

We agree with the FTC that additional measures must be taken to address America’s debt problem, including continued enforcement, consumer education, and more flexibility in the options that creditors provide to consumers. There should also be obligations for debt relief services that may go beyond the scope of the TSR. For example, debt relief providers should be required to conduct an individual financial analysis for all potential customers to determine whether the service is suitable for and will provide a tangible net benefit to them before enrolling them.

Furthermore, there should be similar rules to protect debt relief customers when the use of the telephone is not involved in the transaction, such as when they are solicited for and enroll in debt relief services entirely through the Internet.

The FTC has not included mortgage foreclosure rescue and modification services in the proposed amendments to the TSR because it has received authority from Congress to promulgate separate rules in that regard. However, the issues are very much the same and the FTC should address them with equally strong rules.

We believe that the proposed amendments to the TSR are a good and necessary step to protect debt relief customers from false promises and financial injury. We appreciate the opportunity to provide our comments and will be happy to answer any questions that the FTC may have in regard to our views and suggestions.

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On behalf of:

Consumer Federation of America
Consumers Union
Consumer Action
The National Consumer Law Center on behalf of its low income clients
The Center for Responsible Lending
The National Association of Consumer Advocates
The National Consumers League
U.S. PIRG
The Privacy Rights Clearinghouse
The Arizona Consumers Council
The Chicago Consumer Coalition
The Consumer Assistance Council
The Community Reinvestment Association of North Carolina
The Consumer Federation of the Southeast
Grassroots Organizing
Jacksonville Area Legal Aid, Inc.
The Maryland Consumer Rights Coalition
Mid-Minnesota Legal Assistance
The Virginia Citizens Consumer Council