



## HB 7028

### **Oppose Unless Amended**

ACA International, DBA International, Encore Capital Group, and PRA Group respectfully oppose HB 7028 as it is currently drafted but will agree to support the bill if amended to address our mutual concerns.

We wish to thank the bill sponsors for raising this important issue concerning the litigation of debt that is beyond the statute of limitations. We collectively believe that litigating out-of-statute debt, while currently permissible under state law, is not a practice that should be allowed. Consumers should not have to understand the intricacies of the rules of evidence, to read long and confusing consumer notices on how to raise an affirmative evidentiary defense, and to successfully argue in court an affirmative defense concerning timely suit.

Consistent with this bill's title ("Expired Debt Act"), we would strongly recommend that HB 7028 be strengthened for the protection of Rhode Island residents by outright prohibiting the litigation of out-of-statute debt. In 2015, the state of Maine adopted model language prohibiting this type of activity; this is the approach we recommend for this bill.

Additionally, we have identified several statutory inconsistencies and operational challenges associated with the bill which can be easily addressed in amendments without lessening what will be a powerful consumer protection bill when amended. This includes: (1) inconsistent penalty language that conflicts with the Rhode Island Fair Debt Collection Practices Act (Chapter 19-14.9), (2) the impossibility of requiring a "signed" original document when federal law does not require a "signature" (due to modern technology) and only requires the document be maintained for 24 months, and (3) operationalizing the statutory changes when the bill has an effective date that coincides with passage.

We respectfully submit the attached edits to HB 7028 for your consideration. If these proposed edits are incorporated, we will commit to issuing a Memorandum of Support on the bill. This bill can truly be an example of legislation where consumer and business interests align to produce meaningful change.

While not addressed in our proposed edits, we also respectfully suggest (given the similar subject matter) that the Rhode Island Fair Debt Collection Practices Act may be a more appropriate place for this bill text rather than creating a new stand-alone article.

Please do not hesitate to contact David Reid (DBA Director of Government Affairs & Policy) at (916) 482-2462 or Andrew Madden (ACA Director of State Government Affairs) at (202) 547-2670 should you have any questions.

**DBA International** (DBA) is the nonprofit trade association that represents more than 550 companies that purchase performing and nonperforming receivables on the secondary market. DBA's [Receivables Management Certification Program](#) and its [Code of Ethics](#) set the "gold standard" within the receivables industry due to its rigorous uniform industry standards of best practice, which focus on the protection of the consumer.

**ACA International**, the Association of Credit and Collection Professionals, is the comprehensive, knowledge-based resource for success in the credit and collection industry. Founded in 1939, ACA brings together third-party collection agencies, law firms, asset buying companies, creditors and vendor affiliates, representing more than 230,000 industry employees. ACA establishes ethical standards, produces a wide variety of products, services and publications, and articulates the value of the credit and collection industry to businesses, policymakers and consumers.