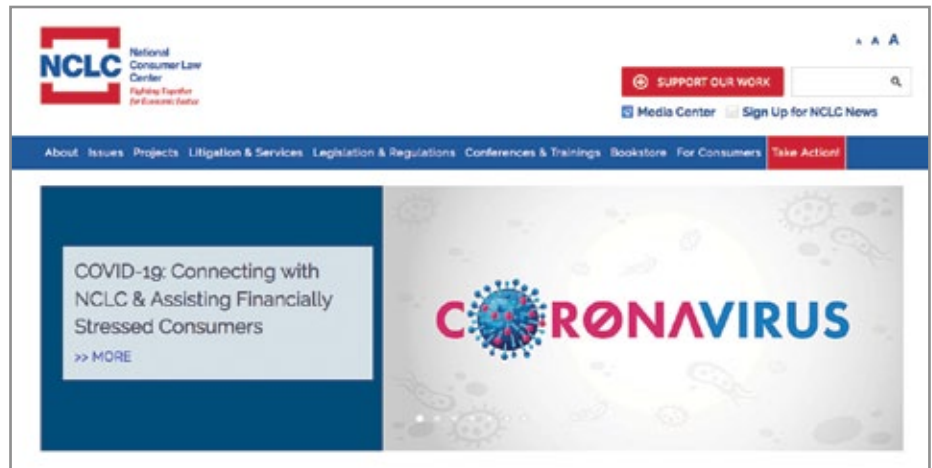


NCLC Responds to COVID-19 CRISIS

The COVID-19 crisis began as and continues to be a public health emergency, but it is also wreaking financial havoc, especially for the most vulnerable American families.

NCLC has worked from the very beginning of the crisis with federal and state policymakers, consumer attorneys, advocacy allies, and even responsible industry representatives to push for needed aid and new protections for consumers facing financial distress. We are guided by three core principles: the need for broad relief for real people, not just corporations; the need to protect vulnerable individuals and communities and prevent disparate impacts; and the need for automatic, self-executing protections wherever possible.

Financial relief will not only help preserve access to the basic necessities of life during the present and growing economic crisis, but will also help people stay in isolation to limit the risk of spreading contamination. The pandemic and the economy are now inextricably linked; national leaders



“...we are calling on federal and state policymakers to grant far more financial relief than we have seen to date.”

should not fool themselves — or others — into believing that it is possible to solve one challenge without also effectively addressing the other. We have made progress, but we are calling on federal and state policymakers to grant far more financial relief than we have seen to date.

For consumers and those who work with them, during the emergency, NCLC

is making the digital version of *Surviving Debt: Expert Advice For Getting Out of Financial Trouble* (2020) available to the public for free during the COVID-19 crisis. The 288-page book provides precise, practical, and hard-hitting advice on steps that families in financial distress can take concerning foreclosures, repossessions, utility terminations, landlord evictions, debt

continued on page 3



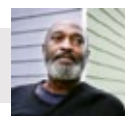
State Advocacy Campaign for the Future – and COVID-19 Crisis – Focus Attention on the States

Even before the coronavirus crisis, the national climate of gridlock and regression meant that some of the most important consumer law battles were being fought at the state level. While the pandemic has forced the federal

government to step up and address some critical national issues, moving forward the states will continue to play an essential role in protecting consumers.

NCLC has long fought to preserve the role of states in protecting consumers and has provided support to state advocates as resources have allowed, but those resources have historically

continued on page 3



Consumer Impact

is a biannual publication of the national Consumer Law Center to inform our supporters about NCLC's advocacy. To receive *Consumer Impact* via e-mail, contact cmurray@nclc.org.



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*Fighting Together
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A Note from the Executive Director Fighting Together for Economic Justice

Dear friends, allies, and supporters:

In this unprecedented time, events have unfolded at an astonishing rate. It is hard to keep up with the full impact of recent developments on the country at large, and on low-income and vulnerable consumers in particular.

NCLC advocates are working closely and constantly with members of Congress and their staffs, federal regulatory agencies, and state and local officials to advance protections for consumers in these trying times, and to advocate for critical aid for the most vulnerable people, families, and communities in our country. I am incredibly proud of the work our team is doing — and grateful to all of you who make our work possible.

NCLC is fighting for the strong relief that low-income families need right now and in the months to come, and we've weighed in on and helped influence funding to help these families with heating bills, temporary relief on foreclosures, evictions, and utility shut-offs, additional support for civil legal aid programs, bankruptcy protections, increased unemployment compensation, and assistance for small businesses, along with some — though inadequate — relief for homeowners and student loan borrowers. All of this represents positive first steps in easing the financial burden on low-income individuals and families.

We continue to urge Congress and the Trump Administration to address urgent priorities including longer-term help to halt foreclosures, evictions, bank account garnishments, car repossessions, and debt collection activities; providing additional relief for student loan borrowers; and protecting consumer credit reports from damage caused by the pandemic. Our focus is on helping families who are struggling with debt, have little to no savings, and have rent, mortgages, student loans, and other bills they are struggling to pay.

We'll keep fighting as long as it takes, and we thank you for your support of NCLC and your own work on behalf of vulnerable consumers. Please stay safe and healthy during this challenging time — we need every member of our community to be able to continue fighting together for economic justice.

With best wishes,

Rich Dubois
Executive Director
National Consumer Law Center



Executive Director Rich Dubois

NCLC Responds to COVID-19 Crisis

continued from page 1

collection, medical debt, student loans, credit reporting, credit cards, criminal justice debt, and a number of other topics of special current interest.

We are also supporting consumer attorneys by providing deep discounts on all of NCLC's consumer law treatises in both print and digital formats. The first chapter of each treatise's digital version is also available free to attorneys and the public (see sidebar for more details). ■

NCLC COVID-19 Resources

COVID-19 and Consumer Protection Resources: nclc.org/special-projects/covid-19-consumer-protections.html

Major COVID-19-related consumer protections (updated regularly): library.nclc.org/major-consumer-protections-announced-response-covid-19

Free access to the digital version of *Surviving Debt: Expert Advice For Getting Out of Financial Trouble* (2020) during the covid crisis: library.nclc.org/sd/0102

Discount on all new Digital Library subscriptions: Use promo code NCLC30 at the NCLC Digital Library Bookstore, library.nclc.org/bookstore, or email us at publications@nclc.org

NCLC's advocacy related to COVID-19 will continue long beyond the public health emergency.

We cannot wait for the next crisis to fix the systemic dysfunctions that are exacerbating this one. Going forward, we will need to meaningfully address the continuing, long-term burdens and impacts of the Great Recession, the student loan crisis, and growing inequality. We must make lending and other financial products equitable, affordable, and sustainable through life's ups and downs; ensure that people have access to basic utilities; end regressive government fines and fees that trap people in poverty and in a broken criminal justice system; and address rampant problems in the credit reporting and debt collection markets.

As Albert Einstein and many others have noted, "in the midst of every crisis lies great opportunity." NCLC is ready for the long struggle ahead, and prepared to use the crisis to work toward a just economy that works for everyone. ■

State Advocacy *continued from page 1*

been very limited. Through the NCLC Campaign for the Future, launched last year, we have received and are seeking significant new support to allow NCLC to identify and respond to the most important threats and opportunities in the states, build lasting partnerships with state coalitions, and play a more proactive role in positively impacting state consumer protections.

States are often more nimble and closer to the needs of residents than the federal government. Some states also offer opportunities for pro-consumer reform that are not currently feasible on the national level – while in others, anti-consumer forces are active and consumers are at grave risk without stronger support from national advocates.

In the current crisis, NCLC has put forward detailed recommendations on what states can do and should be doing to stabilize finances and protect consumers on issues including auto finance, credit reporting, criminal justice debt, debt collection, medical debt, mortgage relief, preventing garnishment of stimulus checks, and utility services. These and other resources can be found on our State Advocacy web page, nclc.org/special-projects/state-initiatives.html. In response to our efforts and those of our allies, a number

of states have stepped up, and we are tracking their responses on our COVID-19 page.

“Some states offer opportunities for pro-consumer reform that are not currently feasible on the national level...”

To provide support to consumer attorneys, NCLC's Michael Best and Andrea Bopp-Stark led a recent webinar discussion on:

- 1 advocating for state policies to help consumers facing financial hardships due to the COVID-19 emergency, and
- 2 helping consumers navigate and access the financial relief they need, focusing on protecting stimulus payments; dealing with car repossessions, including electronic repossessions; navigating available mortgage relief and advocating for additional relief; ensuring consistent utility and telecommunication access; and dealing with debt collection efforts.

Access the archived webinar and presentation materials for “Helping Those Harmed Financially By COVID-19” at nclc.org/webinars/helping-those-harmed-financially-by-covid-19-policy-practice-an-overview.html. ■

NCLC Statement: Time for Action on Racial Equity

On June 4, NCLC released a statement calling on all members of our consumer law community to stand in solidarity with those risking their lives and their health to protest racial injustice, and join us in working to build a more just and inclusive economy and society. The full statement is excerpted below, and can be read in its entirety at nclc.org/media-center/national-consumer-law-center-statement-time-for-action-on-racial-equity.html.

The tragic death of George Floyd is just the latest in a long and repugnant history of unarmed African American deaths at the hands of police officers. We mourn the loss of his life and the lives of so many others like him in the history of this country. The repetition of such horrific events reflects the widespread, institutional, and deeply ingrained racism that exists in all aspects of American society.

If we are to ever move forward as a country and end the cycle of racism, violence, and oppression, we must all do our part in the fight. It is a fight that is vital to the very lives, dignity, and futures of millions of our fellow citizens.

We stand in solidarity with those risking their lives and their health to protest racial injustice, and urge our supporters to do the same.

As an organization and as individuals, we must all work to fight bias and racism wherever we find it. We cannot rest until we have made our society one where all people are treated with equal dignity and respect and have equal opportunities to provide for themselves and their families.

The list of outrages is long. There is no shortage of work to do. We urge you to jump into this fight and join us in building a more just and inclusive economy and society. To succeed, we must all join the struggle, together.

In solidarity,



Richard Dubois
Executive Director
National Consumer Law
Center



Odette Williamson
Director
NCLC's Racial Justice &
Equal Economic Opportunity
Initiative

Campaign for the Future Update

At its 50th Anniversary Celebration last November, NCLC launched a \$20 million Campaign for the Future to fund long-term expansions and enhancements of its work to promote economic justice for low-income and vulnerable consumers. Building on the organization's strong foundation of existing programs, the Campaign is focused on making structural investments in the following areas:

- Developing the next generation of consumer lawyers;
- Supporting civil legal aid programs and attorneys;
- Expanding consumer advocacy at the state level;
- Enhancing communications capacity; and
- Advancing NCLC's economic justice agenda.

To date, a core group of consumer law community leaders has expressed intentions to donate and direct over \$10 million to this effort, and approximately \$2 million has already been received — allowing NCLC to start turning investments into action.



For its first full year, NCLC's board-approved budget funds a range of efforts to help achieve the Campaign objectives outlined above, including the following highlights:

- **Next Generation Scholarships:** 50% Consumer Rights Litigation Conference (CRLC) scholarships for all qualified private attorneys with less than 5 years experience;
- **Law School Engagement:** Five law school student summer interns in 2020.
- **Legal Aid Scholarships:** 50% CRLC scholarships for all qualified civil legal aid attorneys;
- **Legal Aid Training:** Increased consulting and training services for legal aid programs;
- **State Advocacy and Support Services:** Expanded public policy advocacy at the state level, including contracting with local partners and consultants to achieve pro-consumer reform goals;
- **Racial Justice Fund:** Increased advocacy to promote racial justice and equal economic opportunity.

Through investments like these and others planned for the coming years, the Campaign for the Future will transform NCLC into a stronger and more sophisticated consumer rights and economic justice advocacy organization — the kind of organization needed to rise to this occasion, and take on the unprecedented challenges of the present and future. Together we can, and together we will. ■

Campaign for the Future Leadership Profile

Leonard Bennett has fought for economic justice since 1996, and alongside his colleagues at Consumer Litigation Associates (CLA), remains at the forefront of consumer advocacy. He was NACA's 2017 Consumer Lawyer of the Year, and the National Law Journal has selected CLA as the nation's top Plaintiffs' firm in Financial Services Litigation each of the last two years.

Consumer law is a complex field, but Len's motivation for being in the fight is relatively simple: "I am motivated personally and professionally to stand up against people, movements, and entities that bully others. It angers me that there are people in the world who deliberately harm another without at least some empathy or awareness. As a practical result, the "causes" I care about and focus my resources on all center on addressing poverty and lack of opportunity for our most vulnerable."

Len's earliest successes came on behalf of tenants, mobile home residents, and enlisted service members. There is nothing more fulfilling for him than saving a tenant against eviction, an E-1 against a dishonest car sale or a single-parent facing foreclosure. "The direct and immediate relief we have obtained for the weakest and most exposed of our clients – the ones that end with tears of relief and joy, hugs and reaffirmation of this calling – are the ones that keep me driven."

Pro bono work is a significant part of Len's practice; at least one-third of his professional time is spent on other than fee-generating legal work. Last year, CLA was the co-recipient of the Virginia State Bar's Pro Bono Firm of the year award.

Len also does other public interest work: he co-founded the Hampton Roads Refugee Relief; is on the board of Youth Volunteer Corp of Hampton Roads, Virginia Poverty Law Center, and Public Justice, in addition to NCLC's Partners Council. Len also funded the creation of two law clinics at his alma mater, George Mason, one for Poverty Law (with Legal Services of Northern Virginia) and one for Immigration Law (with Legal Aid Justice Center).

"I began in this field because I couldn't say no to a client in need, or turn them away because their case was not profitable. So I income-scaled my fee, for example charging a percentage of one-month's rent payment for a tenant, or setting a fee at the same thresholds used for court-appointed criminal defense lawyers. Or often, not charging at all. Eventually, I figured out how to push the same cases through fee-shifting remedies, and learned how to better keep the lights on. NCLC was instrumental in showing me that path."

"I have found a home in NCLC – an organization that empowers me and so many others to carry this fight forward for economic fairness. It helps sustain our necessary passion and focus raw outrage or frustration into tangible actions that can be taken towards basic socio-economic justice. NCLC has also



"We want to help expand NCLC's ability to do the work it does – and by helping NCLC, I help myself and everyone else who does this work make a bigger difference in the world." –Len Bennett

served as the essential living archive of nearly all of our consumer advocacy and economic justice knowledge. Without both its practical and academic balance, nothing any single advocate does could be sustained against the never-ceasing pressure of those driven by self-interest.

That's one of main the reasons I and my firm chose to support NCLC's *Campaign for the Future*. We want to help expand NCLC's ability to do the work it does – and by helping NCLC, I help myself and everyone else who does this work make a bigger difference in the world. My career has proven that the more I do to help others, the better karma treats my practice. So, whether for my success or my salvation, that's the way it will always be." ■



NCLC is proud to have received a coveted 4-star rating from Charity Navigator, the leading charity evaluator in America. Approximately only a quarter of rated charities have achieved the distinction of their highest possible rating, which indicates that NCLC "adheres to sector best practices and executes its mission in a financially efficient way." Attaining a 4-star rating verifies that NCLC "exceeds industry standards and outperforms most charities in our area of work"... and "sets National Consumer Law Center apart from its peers and demonstrates to the public its trustworthiness."

NCLC Advocates for Strong Consumer Protections Against Land Installment Contracts

Land contracts are marketed to low-income households as a means to achieve homeownership. In reality, they are almost always a cause for heartbreak and disappointment as the vast majority of these contracts are terminated before the transfer of ownership occurs. In the meantime, investors are able to avoid responsibility for property upkeep, and keep substantial income by using the land contract transaction to “sell” properties that cannot legally be rented.

defensively. NCLC also provides advice and consultation to attorneys bringing these legal claims. This litigation work is crucial to minimize the harm to individuals and communities (and win back some of the stolen wealth) from land installment contracts already entered into, while the policy work creates important protections to prevent the next wave of abuses in this shadowy segment of the marketplace.

After conducting extensive research, in 2016 NCLC published the report *Toxic Transactions: How Land Installment Contracts Once Again Threaten Communities of Color* and created *Policy Recommendations for a Strong State Law on Land Contracts*. Using these findings, NCLC advocates for strong federal and state protections for consumers, as few state laws include many protections, even though states have full authority to address all of the problems with land contracts. Congress and the Consumer Financial Protection Bureau also have authority to issue comprehensive rules governing these transactions at the federal level. NCLC’s policy recommendations for deterring abusive land contracts include the following key recommendations.

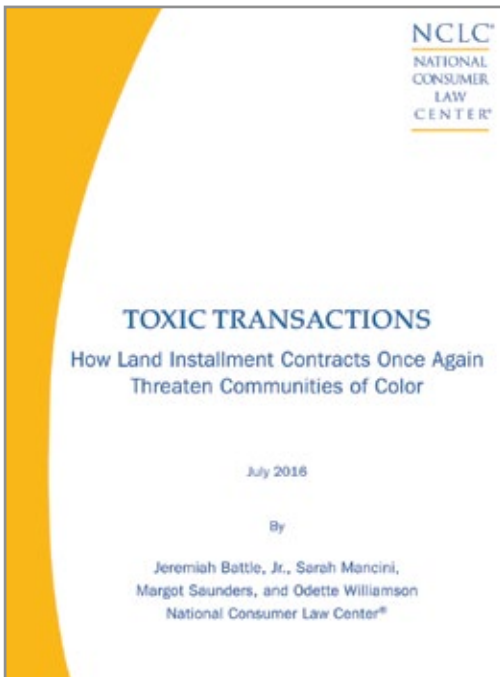
Protecting Buyer’s Investment: A land installment contract should be treated as an immediate transfer of title to the buyer, subject to a mortgage owed to the seller, immediately after the contract is entered into by the parties. This provides the buyer with clear rights and protections, including the right to sell the home, refinance the loan, insure the home, and apply for assistance available to property owners. Importantly, it would also require the seller to follow the state’s foreclosure protocol for buyers in default, after providing a 90-day right to cure, which protects the buyer’s investment in the property.

Clarifying the Record: The seller under a land installment contract should be required to record the contract in local deed records within 60 days of its execution. A seller’s failure to record, should suspend its enforcement of a buyer’s default until the contract has been recorded, and the seller’s payment of a hefty penalty.

Protection from Preexisting Liens. Seller should not be permitted to sell homes through the land contract mechanism that are previously encumbered by preexisting liens. To protect against this, if the home is subject to a preexisting liens, the buyer should be able to pay off those liens, and have those payments count as required payments on the land contract.

Preventing Sale of Uninhabitable Homes: For buyers of uninhabitable homes, obtaining title to the home may cause more harm than good as the buyers may be required by local housing and safety codes to address pre-existing property code violations and thus invest more into the property than it is worth. To protect buyers, they should be entitled to rescind the land contract if the property fails to meet basic habitability standards at the time the contract is originated.

Lease-Options. Certain leases with option to buy are really land installment contracts in disguise and should also be regulated as land installment contracts when the consumer automatically obtains title simply by completing the required monthly payments should be treated like what it is: a land installment contract. Read the report: nclc.org/issues/toxic-transactions-threaten-communities-of-color.html ■



NCLC’s fight for strong consumer protections against predatory land installment contracts includes advocacy for federal, state and local reforms, and development of written materials targeting the key problems with land installment contracts. NCLC has two chapters in its consumer law manuals for advocates representing consumers who have entered into land installment contracts, including sample pleadings and briefs in the companion materials for handling cases affirmatively or

Case Study

NCLC works with Atlanta Legal Aid Society to secure deeds for homeowners in settlement with Harbour Portfolio

When Zachary Anderson signed the papers to purchase his first home he received a letter from the company saying, “Congratulations on the purchase of your new home.” But after a few years of living in the home and making significant repairs, he reached out to the county about the property taxes and discovered that the deed for the house was still in the name of the company who sold it to him.

In the 1930s to 1960s, land contracts were systematically targeted at African-American consumers who were excluded from the mortgage market as federal homeownership programs prevented most African-Americans from accessing federally backed loans. With the tightening of mortgage lending following the foreclosure crisis these contracts made a resurgence in credit-starved communities. Large companies with private equity backing bought up foreclosed homes in bulk, at discount prices, and began selling them to would-be homeowners through land contracts. Companies like Harbour Portfolio, Vision Property Management, and Stonecrest Investments are just some of the significant players which have used this business model.

Also known as contracts for deed, land installment contracts have become increasingly common in recent years and pose unique problems for consumers and for their attorneys. The purchaser of a land installment contract may believe that they have secured a conventional mortgage. In fact, the transaction requires them to take on all the obligations of homeownership, making monthly payments to the seller, paying property taxes, and maintaining upkeep of the home, with none of the benefits. Mr. Anderson’s contract required that he “make the home habitable within four months of purchase,” which required tens of thousands of dollars in repairs to the roof and sidewalk, plumbing and exterior. Yet purchasers have none of the protections afforded a typical homeowner. In a land contract the purchaser can be evicted like a tenant for missing a single payment, losing all of the money they have put into the home and any equity they would have built up.

Mr. Anderson was part of a group of 22 plaintiffs represented by the Atlanta Legal Aid Society and NCLC in a lawsuit in the Northern District of Georgia alleging that Harbour Portfolio



Zachary Anderson, one of the plaintiffs represented by NCLC and Atlanta Legal Aid

specifically targeted African American neighborhoods for its predatory land contracts in violation of the Fair Housing Act. The plaintiffs survived a motion to dismiss, went into discovery, and finally reached a favorable settlement in December 2018. In that settlement, all plaintiffs who were still residing in their homes obtained a deed in their name subject to a real mortgage with a reduced interest rate and low, affordable monthly payments. For Mr. Anderson, that meant becoming the legal owner of a home with substantial equity – equity that had grown through his own hard work and as properties in his area of Southwest Atlanta had surged in value. ■

“The house wasn’t really mine. I’d been paying the taxes, insurance, everything that a homeowner was supposed to do ... it’s just sickening.”

Mr. Anderson’s home



Thank You!

NCLC depends on the support of attorneys, advocates, activists and allies who help us protect and defend consumer rights and advance economic justice in our society. Every single donation makes a difference, though we do not have enough space to thank every donor by name here. On behalf of the millions of low-income families, students, elders, veterans, and others whose lives are impacted by NCLC's work, we express our gratitude to **all** who have contributed to NCLC, including the following 2019-2020 (to date) foundation and leadership supporters:

\$100,000+

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Rob Bramson
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Stephen Skinner
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John Steinkamp
Vildan Teske
Diane Thompson
Irwin Trauss
Rob Treinen
Ronald Wilcox



Cy pres Award Recognizes NCLC's Work Against Unfair Debt Collection Practices



Adam M. Stewart, Edward F. Haber and Michelle H. Blauner, of Shapiro Haber & Urmy LLP, recently directed a significant *cy pres* award to NCLC, the result of an interesting debt collection class action that the firm prosecuted and settled. The firm's focus is bringing consumer and other class actions and other complex civil litigation.

The Massachusetts case, *Perlow v ABC Financial Services*, arose out of a purported debt related to a gym membership. The plaintiff alleged that certain debt collection letters sent to him and others did not contain the information required by Massachusetts debt collection law.

The parties litigated the case for approximately two years, leading to the plaintiff filing of a motion for class certification and the parties filing cross-motions for summary judgment. The parties then participated in mediation prior to the hearing on the summary judgment and class certification motions. They then agreed to a class settlement involving a "high/low" arrangement (depending on the Court's decision on the pending motion for class certification and cross motions for summary judgment.) "This was the first time our firm had ever entered into a high/low class action settlement. The Court's rulings on the pending motions dictated the settlement amount for the class" according to Adam Stewart. Judge Salinger ruled there was no injury because the plaintiff had not paid any

money in response to the allegedly deficient collection letter. Accordingly, he granted summary judgment for the defendants. However, because of the parties' high/low settlement agreement, the defendant ultimately paid \$1.8 million for the benefit of the class.

"We were able to return over \$450,000 to tens of thousands of class members, and were able to get money to as many class members as possible. However, a significant amount of the settlement funds could not be distributed to the class members."

Stewart said, "Nominating NCLC for the residual funds was a perfect match because the case fell right within NCLC's wheelhouse (fighting unfair

debt collection practices) and hence met the needs of class members." NCLC and MA IOLTA were the very grateful recipients of the *cy pres* funds.

"We were able to return over \$450,000 to tens of thousands of class members, and were able to get money to as many class members as possible."

-Adam M. Stewart, Shapiro, Haber & Urmy LLP

NCLC is a much respected and effective recipient of *cy pres* awards, generally approved by Courts after judicial review and consideration of our consumer law expertise and long track record of success. For more information on how you can help support and further the mission of the National Consumer Law Center, please contact Paul Laurent at plaurant@nclc.org or by calling (617) 542-8010. ■

Cy Pres Awards Advance Justice for Consumers

Nominating NCLC for a *cy pres* award is one of the most effective ways to help promote and advance consumer rights, and NCLC is generally seen by courts as a fair and viable recipient for residual monies. NCLC is prepared to provide any information needed by courts, and is always willing to work with and provide assistance to attorneys on the *cy pres* nomination process. If you would like to nominate NCLC for a *cy pres* award, please contact Paul Laurent at plaurant@nclc.org or by calling (617) 542-8010. Thank you to all consumer attorneys who have recommended NCLC to receive appropriate *cy pres* awards, including these recent successful nominators:

Darren Aitken	James Davis	Anand A. Kapaso	Carlo Sabatini
Dave Angle	Matthew Dooley	Karen Kellett	Shaun Setareh
Rafey Balabanian	Zachariah Dostart	Kristi Kelly	Richard Shenkan
Nancy Barron	Sydney Fetten	Bryan Kemnitzer	Jessica Sleater
Leonard Bennett	Cary Flitter	Keith Keogh	Robert Stempler
Daniel Blinn	Ryan Gentile	Abraham Kleinman	Adam Stewart
Courtney Booth	Jeremy Glapion	Matthew McCue	Andrew Thomasson
O. Randolph Bragg	Marc Godino	Christopher McDonald	Brian Wanca
Edward Broderick	Salvatore Graziano	Corey McGaha	Jennifer Weller
Ronald Burdge	Mark Greenstone	Anthony Paronich	Jeff Westerman
Alexander Burke	Andrew Guzzo	Andre Peterson	Ben Wolf
Pamela Car	James Hannink	William Reinbrecht	
Mark Chavez	Brandon Hill	Benjamin Richman	
Will Crowder	Joseph Jones		

NCLC Welcomes New Staff



NCLC welcomes as full-time staff attorneys:

Sarah Bolling Mancini is a staff attorney focusing on foreclosures, mortgage lending, and credit reporting issues. Sarah previously worked as of counsel for NCLC and half-time in the Home Defense Program of Atlanta Legal Aid, and has represented homeowners in litigation in state, federal district, and bankruptcy courts. She also clerked for the Honorable Amy Totenberg, U.S. District Court for the Northern District of Georgia. Sarah is a member of the Georgia Bar. She received her B.A. in public policy from Princeton University and her J.D. from Harvard Law School.



Steve Sharpe is a staff attorney focusing on foreclosures and mortgage lending. Previously, Steve was of counsel at NCLC and worked half-time as a senior attorney for the Legal Aid Society of Southwest Ohio, LLC. Steve started his career in 2005 at Indiana Legal Services with a Skadden fellowship focused on representing borrowers with predatory loans. Steve is a contributing author of National Consumer Law Center's Mortgage Servicing and Loan Modifications, Home Foreclosures, and Truth in Lending legal treatises. He is cohort member of the Shriver Center's Racial Justice Institute and a Consumer Fellow with the American Bar Associates Consumer Financial Services Committee. He received his B.A. from the University of Michigan and his J.D. from the Indiana University School of Law in Bloomington.



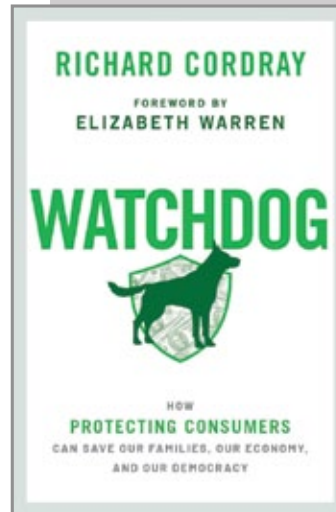
Kyra Taylor is a staff attorney focusing on student loans. She most recently worked as a staff attorney at Harvard Law's Legal Services Center Project on Predatory Student Lending. While there, she helped litigate the *Sweet v. DeVos* case challenging the Department of Education's 18-month long failure to decide borrower defense applications. Kyra was also a public interest fellow at the DC plaintiffs' firm Tycko & Zavareei LLP and Public Justice. Prior to becoming a lawyer, Kyra was an elementary school teacher in Baton Rouge, Louisiana and East Harlem, New York. She is a graduate of University of California, Berkeley School of Law and Temple University. Kyra is based in our Boston office. ■

Watchdog: How Protecting Consumers Can Save Our Families, Our Economy, and Our Democracy

An Interview with Rich Cordray, former Director of the CFPB

NCLC: What inspired you to write *Watchdog*?

Mr. Cordray: I wanted to tell the story of creating the Consumer Financial Protection Bureau (CFPB); it's a unique story and an interesting story, and I think it's important for the people in this country to understand the significance of the bureau's work.



NCLC: What message would you like individual consumers to take from reading the book?

Mr. Cordray: Our financial system has become tremendously complicated, very different from that of our parents and grandparents' generations. It is important for people to understand the complexity of financial products and services because too many innocent

people get into financial trouble and feel isolated and embarrassed or alone. That is why we set up a consumer complaint database at the CFPB and why we created the "Know Before You Owe" program, to reduce jargon and reveal hidden terms on mortgages, student loans, and other financial products.

NCLC: Is there one story from the CFPB database that sticks in your mind?

Mr. Cordray: Yes. I tell a story in the book about a young man named Ari and his father. Ari was a young servicemember who got stuck in a predatory auto loan that cost him 70% of his take-home pay each month. When Ari was deployed, his father took over his finances and discovered the terms of the loan and filed a complaint with the CFPB. The bureau undertook an investigation and found that there were misleading add-on charges and undisclosed fees, which led to an enforcement action that fixed the problem and helped Ari and 50,000 other servicemembers get reimbursed." ■

NCLC Advocates Fight High-Cost Lending Rule Rollbacks

In the latest in a string of moves to roll back Obama-era consumer protections from high-cost predatory lenders, banking regulators at the Federal Deposit Insurance Corp. (FDIC) and the Office of the Comptroller of the Currency (OCC) have taken steps to greenlight predatory “rent-a-bank” schemes. The FDIC also announced plans to repeal its 36% interest rate guidance and its guidance limiting bank payday loans. At the same time, the Consumer Financial Protection Bureau (CFPB) moved to strip its payday lending rule of meaningful consumer protections. These actions threaten states’ and advocates’ ability to combat predatory lending.

While the American public strongly supports limiting interest rates to 36%, the FDIC/OCC rent-a-bank rules could encourage schemes where high-cost online lenders launder their loans through banks, which are not subject to the same interest rate caps as non-bank lenders. This could result in lenders offering loans up to 160% APR in states where those high rates are illegal. The FDIC’s repeal of its small dollar loan guidances could encourage banks to directly offer high-cost loans. And the gutting of the CFPB’s payday loan rule could see consumers borrowing more frequently and getting trapped in a cycle of loans they can’t afford to repay.

The National Consumer Law Center pushed for the strong payday loan rule issued by the CFPB in 2017 and opposed the changes under the new director that significantly weakens consumer protections. We have also led the charge against predatory, “rent-a-bank” lending, creating a “High-Cost Rent-a-Bank Loan Watch List” to alert consumers as to which banks and lenders are issuing predatory payday loans and the states in which they operate. We informed and rallied our network to oppose the rent-a-bank rule and to support a federal rate cap on all loans by banks and nonbanks alike.

“The continued assault by this Administration on protections against high-cost loans makes clear why Congress must step up and cap rates. Loans must be fair and affordable – at annual rates no higher than 36% for small loans and lower for larger loans,” said Lauren Saunders, associate director of the National Consumer Law Center. “We will continue to fight for state and federal rate caps, both in this Administration and in a future one that may be more amenable to strong consumer protections.” ■

Essential Resources from the
National Consumer Law Center

The Consumer Law Practice Series



Twenty-one treatises in every area of consumer law available in print and digital formats

Surviving Debt: Expert Advice for Getting Out of Financial Trouble

A practical guide for families dealing with an overwhelming debt burden

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INSIDE NCLC Statement: Time for Action on Racial Equity

We stand in solidarity with those risking their lives and their health to protest racial injustice, and urge our supporters to do the same.

The nonprofit National Consumer Law Center® (NCLC®) works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training.

2020 Consumer Rights Litigation Conference

Due to the ongoing COVID-19 crisis, the 2020 CRLC will be an online conference — covering more consumer law content than ever before, and including plenary addresses from high-profile speakers, strategy summits, legal tech talks, networking opportunities, and even a few social gatherings!



- Full tracks on Auto Loans, Credit/Banking, Credit Reporting, Debt Collections, Mortgages and Foreclosures, Student Loans and the Telephone Consumer Protection Act (TCPA), plus individual courses on ethics, litigation, practice issues and more.
- Learn the latest developments in **consumer law** from the country's leading **experts**
- Build powerful **connections** and earn **CLE** credits



The Virtual CRLC will be more than a series of webinars: we're going to work with the community to reformat and reimagine the conference to bring the greatest benefits to the widest possible group of attendees.

Stay tuned for more information.
nclc.org/conferences

