



National
Consumer Law
Center

SUPPORT Immediate Passage of H.D.2405/S.D.1209, An Act relative to fairness in debt collection

March 2025



Lead Sponsors: Senator Eldridge, Representatives Nguyen & Barber

Excessive debt collection hurts workers and communities of color

WHY WE NEED THE DEBT COLLECTION FAIRNESS ACT (DCFA) (H.D.2405/S.D.1209):

- **It impacts thousands of MA residents, especially those in communities of color.** In Massachusetts, 12% of residents in white communities had a debt in collections—rising to [26% in communities of color](#).
- **Families are struggling.** The increased costs of basic family necessities like food and fuel strain budgets all while Bay Staters pay rent in the [second most expensive state to rent housing](#) (after only CA).
- **Current law does not do enough to protect consumers from practices like seizing wages for debt that can push already struggling families off of a financial cliff.** The DCFA will help by making the rules in court more fair, protect enough wages from seizure to keep food on the table, and make clear that no one can be imprisoned for a debt.

THE DCFA DOES THIS BY:

1. **Reducing the interest rate on judgments on consumer debt so that debts aren't forever.** Rates are currently the highest in the nation at 12%, making it impossible for many to ever pay off judgments. Even as they make good faith payments—the debt can even grow. The DCFA will cut that rate to 3%.
2. **Protecting enough wages to keep food on the table.** Under current law, any income over \$750 per week is subject to wage garnishment. [MIT's Living Wage Calculator](#) indicates that a living wage for one adult with two children in MA is \$2,808.80 per week. The DCFA will protect \$975 per week.
3. **Ensuring that no one in the Commonwealth will be imprisoned for failure to pay a consumer debt.** In 2016 (the most recent data available), four Massachusetts small-claims courts issued 1,325 civil arrest warrants for alleged debtors. The use or threat of use of such warrants can terrify consumers into making payments, even if all of their income is exempt.

THE DCFA HAS BROAD SUPPORT.

- 1. The bill has been rigorously examined by the Financial Services Committee.** For the last three sessions, Chair Murphy of the Financial Services Committee has led a rigorous negotiation process among bill stakeholders, in which advocates compromised on their initial proposal, committee staff spent copious time analyzing the bill, and the debt collection industry was brought to the table to give their perspective. The bill was thoroughly vetted, and the Financial Services Committee determined that it was worthy to move forward. **Through these negotiations, all opposition to the bill has been withdrawn.**
- 2. There is broad support for the bill.** There is broad support for the bill. The Senate has passed a version of the DCFA three times and 46 Representatives sponsored the DCFA or its inclusion as an amendment in the economic development bill in a previous session. Fifty groups representing many constituencies ranging from the Massachusetts AFL-CIO to the United Way of Massachusetts Bay and Merrimack Valley to the Massachusetts Association for Community Action (MASSCAP), have supported its passage. This is because residents and businesses from across the Commonwealth will be positively impacted by the passage of this legislation.

PLEASE SUPPORT THE COMMON SENSE PROTECTIONS FOR MASSACHUSETTS FAMILIES IN THE DCFA!

The DCFA will keep more money in the pockets of working people struggling to pay rent and put food on the table, while still allowing the collection industry to collect debts. This is a balanced vetted bill that will help struggling families without upending the debt collection industry.

MA Families Cannot Wait. We must Pass the Debt Collection Fairness Act.

Questions? Email mbest@nclc.org & ncohen@gbls.org.