



Good afternoon and thank you to the members of the Banks Committee, co-chairs Rep. Tong and Sen. Leone. I'm Daniel Ravizza, an organizer for Connecticut Citizen Action Group, and it's a pleasure and a privilege to testify on behalf of our over 20,000 member families here in Connecticut. Today I'd like to express CCAG's support for HB 6173, An Act Concerning the Reform of Debt Collection Practices in the State, with language being submitted by our colleagues at ConnPIRG

We believe consumers should be protected against what is known as "zombie debt"- debt that is purchased by third parties from the initial owners of the debt. Many times this debt may already be paid off or voided, however these third parties are allowed to continually harass and intimidate consumers. For example, in 2005, the Federal Trade Commission successfully sued National Check Control for pursuing debt that many times didn't exist.¹ Though protections like the Fair Debt Collection Practices Act do exist, they only permit consumers to voluntarily request documentation that the debt being serviced is theirs. Should the debt being serviced not be the consumers, they must go through the process of filing a cease-and-desist letter to the third party. This confusing, time-consuming process may result in a negative impact upon a consumer's credit rating, sometimes without their knowledge.

It is with firm resolve that Connecticut Citizen Action Group endorses the language introduced by our colleagues at ConnPIRG in order to protect consumers from needless harassment and lawsuits. Indeed, states such as Minnesota, Washington, Oregon, and New Jersey are also considering similar bills this year. The common-sense changes in the language of this bill will save many consumers the headache of seeking legal counsel or more drastic measures when they need not do so.

Thank you.

Submitted by Daniel Ravizza to the Banks Committee on Feb. 14th, 2013.