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**Testimony by Greg Bachand re HB 6173**

Good afternoon. Thank you for an opportunity to testify on HB 6173. I know it's been a long day and I will be brief and to the point.

My name is Greg Bachand and I am a debt collection attorney. I come before you however from a unique perspective. I had to declare bankruptcy myself 20 years ago, during the last real estate crisis, and have been on the "receiving end" of the collection process.

I believed then and I believe now that the collection process is a bulwark of our financial system. Indeed without a straightforward collection process the very issuance of credit would be severely curtailed and the economy as we know it would cease to exist. It follows then that any adjustments to the process should be well thought out and every proposed change thoroughly vetted for unintended consequences.

I appear today to address just one of the proposed changes in HB 6163:

**That the CT Creditor Collection Practice statute (36a-645)  
be expanded to include all consumer collection agencies.**

This is problematic for 3 reasons:

☉ Agencies are already governed by the collection agency statute (36a-800 et. al.) which requires them to be licensed and bonded.

☉ Agencies, as well as all attorneys, are already governed by the federal Fair Debt Collection Practices Act.

☉ To include a "collection agency" as a "creditor" may have the unintended consequence of giving a "collection agency" standing to act like a creditor and to bring suits, on behalf of their actual creditor clients, in the name of the collection agency in the Connecticut courts.

There is a rhythm to the important collection process in this country, honed over decades, if not hundreds of years. The accounts receivable department of the issuer of the debt attempts to collect the debt, then the internal "collection" department attempts to collect the debt, then an outside collection agency, then a law office, then the court system. Each step of the way is regulated by a plethora of federal and state laws, but most fundamentally, the consumer/debtor at each step can have proof of the debt, may speak with the collector at every phase of the process, and more often than not be given the opportunity to "settle" the debt for a lesser amount. Ultimately, they are afforded the opportunity to participate in our great court system and have the matter adjudicated by an impartial trier of facts.

To include a collection agency as a creditor will enable the collection agency to bring suit in their own name, effectively short circuiting two of the important "steps" in the process. This bill thus hurts consumers, rather than helps them.

Thank you for your time today.