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Joint Committee on Banks
Public Hearing
February 14, 2013

Proposed HB 6173-

AN ACT CONCERNING THE REFORM OF DEBT COLLECTION PRACTICES IN THE STATE

**Testimony of Attorney Renée Cannella of the Cannella Law Firm,
Stamford, CT in Opposition to Proposed HB 6173**

Chairman Leone, Chairman Tong and Members of the Committee:

My name is Renee Cannella. I am a solo practitioner in Stamford. My practice focuses in the area of debt collection. I am also a member of the Government Affairs Committee of the Connecticut Creditor Bar Association.

I am going to address part (2) of the bill regarding the suggested requirement that documentary evidence be attached to the initial complaint served upon a debtor. As pointed out previously by Attorney Olshan, this issue was discussed exhaustively as part of the Bench Bar Committee which was convened in 2008 to address creditor/debtor issues in Connecticut's Small Claims Courts. The safeguards which were put in place to address both the valid concerns of creditors and debtors alike renders proposed bill HB 6173 superfluous and ambiguous. In seeking to balance rights of creditors to pursue the payment of debt they are rightfully due and the concerns for protecting debtors from illegitimate debt the bench bar committee came up with very specific recommendations which were then considered by the Rules Committee who then implemented the recommendations in 2011 by amending our Rules of Practice. Currently these same rules are being considered by the Rules Committee for implementation in Superior Court as well. There are rules currently in place which are definitive about pleading the statute of limitations, about what is required to obtain a default judgment, and about what kind of documents are necessary to support a claim. Practice Book Section 24-24 clearly enumerates the precise information and/or documents necessary to obtain a default judgment. The rules are clear and

unambiguous as opposed to that proposed in HB 6173 which is vague at best and unnecessary in light of the existing laws and rules of practice.

It is important to note that prior to a complaint being served upon a consumer debtor, there has been outreach to that debtor as required by the FDCPA (Fair Debt Collection Practices Act). The debtor has been given an opportunity to request validation of the debt pursuant to the FDCPA. The complaint is not the first time the debtor is encountering the claim that he owes a debt. That, coupled with the allegations plead in the complaint gives the debtor ample information on which to proceed.

Between federal law, state law and state rules of practice, there are ample and sufficient safeguards in place to ensure appropriate debt collection practices in the state.

Thank you for your consideration