

**IN OPPOSITION TO *H.B. No. 6924 AN ACT INCREASING THE AMOUNT OF DAMAGES THAT MAY BE CLAIMED IN A SMALL CLAIMS ACTION.
Hearing, Friday, March 6, 2015 at 12:00 P.M.**

I am Joanne S. Faulkner, a lawyer who has been representing low income consumers in Connecticut state and federal courts for many years. Unfortunately, our small claims court has been taken over, and overwhelmed by, bad debt buyers, because the lax small claims evidentiary standards means they rarely have to prove their claims and usually can rely on default judgments. **Increasing the small claims limit will only encourage debt buyers who already are preying on Connecticut citizens.**

Debt buyers look at the "portfolio" they are buying to predict how many dollars might be derived if suit is brought on every account purchased. In part, the mathematics asks how many default judgments the portfolio might produce, and from that number how many garnishments might also default. In other words, debt buyers intentionally aim to take exempt property from all who are too weak, aged, scared of the courts, or ignorant to object. The system abuses the fundamental bedrock of our 'adversarial' system of justice to locate and take money from those who cannot by definition qualify as adversaries.

Banks sell off their worst, most unreliable, least collectible, most dubious accounts for literally pennies on the dollar (sometimes less), pursuant to broad disclaimers of accuracy and reliability. The problem is discussed by Jeff Horwitz in an American Banker article: "[Bank of America Sold Card Debts to Collectors Despite Faulty Records](#)." See also an excellent article, "[Dirty Debts Sold Dirt Cheap](#)" where UConn Law Professor Dalie Jimenez has analyzed the problem.

Currently, we are living under a system where banks are knowingly selling inaccurate, unreliable junk accounts which are then used to extract money from consumers, some of whom do not owe any amount at all, and many of whom owe considerably less than the "approximate" amount being sued on. One of the scandals may be that many of the judgments are based on "sewer service" at an old address. **The Small Claims courts are an integral part of this injustice. Increasing the damages limit will only encourage the well-known shoddy practices that I see.**

See generally Peter A. Holland, *The One Hundred Billion Dollar Problem in Small Claims Court: Robo-Signing and Lack of Proof in Debt Buyer Cases*, 6 J. BUS. & TECH. L. 259 (2011) (discussing individual courts' treatment of robo-signed affidavits and advocating use of strict proof standards); Jessica Silver-Greenberg, *Dead Soul is a Debt-Collector*, WALL ST. J. (Dec. 31, 2010), online.wsj.com/article/SB10001424052970204204004576049902142690400.html; Jessica Silver-Greenberg, *Boom in Debt Buying Fuels Another Boom—in Lawsuits*, WALLST. J. (Nov. 28, 2010), <http://online.wsj.com/article/SB10001424052702304510704575562212919179410.html>. Andrew Martin, *Automated Debt-Collection Lawsuits Engulf Courts*, N.Y. TIMES (July 12, 2010), http://www.nytimes.com/2010/07/13/business/13collection.html?pagewanted=all&_r0.

I OPPOSE THE INCREASE IN SMALL CLAIMS LIMITS.

**Joanne S. Faulkner
123 Avon Street
New Haven CT 06511
203-772-0395**