

# State laws governing debt collection lawsuits vary widely and most still offer little protection to consumers

February 15 2024

1. What type of laws regulate debt collection lawsuits at any stage?

Laws specifically governing debt collection lawsuits

Laws governing civil procedure generally

2. What type of debt collection-specific policy does the jurisdiction have, if any?

State statute

State regulation

Civil procedure rule

General jurisdiction court rule

Limited jurisdiction court rule

Small claims rule

Jurisdiction does not have a debt collection-specific policy

3. What types of debt claims, if any, are regulated by the state's debt claim-specific law?

All debt

All consumer debt

Credit card debt

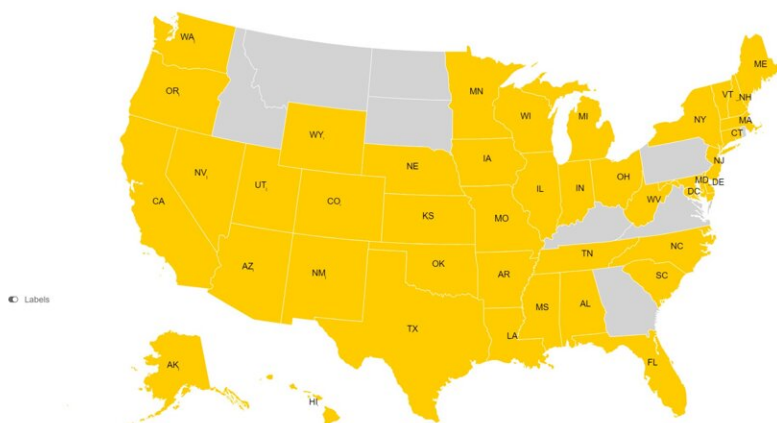
Medical debt

Debt buyer debt

Claims brought by an assignee, debt collector, or third party other than a debt buyer

State-owned debt

Payday lender debt



Credit: <https://lawatlas.org/datasets/debt-collection-litigation-laws>

While most states have laws that specifically govern debt collection lawsuits, the laws vary widely and few offer protections for consumers, according to new data released today by the Center for Public Health Law Research at Temple University Beasley School of Law.

In addition to much variation in the scope of these laws (20 [states](#)' laws govern only one or two distinct aspects of the debt collection litigation process), the type of debt governed by these laws also varies widely. Some states have laws that apply to consumer debt claims generally,

while others have laws that apply more specifically to [medical debt](#), [credit card debt](#), or student loan debt.

Twenty-one states and the District of Columbia have laws that apply to debt claims brought by a third party, such as debt buyers, assignees, or collection agencies, according to the data.

"As debt collectors are increasingly using the court system to collect on ever-expanding consumer debts, and some states are taking steps towards reform, it's essential we understand the nature of the laws governing this process and the impacts they may have," said Katie Moran-McCabe, JD, Lead Law & Policy Analyst at CPHLR.

"These data are an essential first step to see how state policies vary across jurisdictions, to identify opportunities for reform, and to prioritize action. And they establish a baseline for necessary research to better understand whether and how these laws and future legal reforms can affect health, well-being, and equity."

Many states have laws that could potentially address the imbalance of power in favor of debt collection plaintiffs by making it clear where to file a case for debts under a specified amount (i.e., requiring those cases to be filed as small claims actions), or requiring that the court hold a hearing prior to entering a default judgment, or by requiring certain plaintiffs (often just debt buyers or plaintiffs bringing consumer debt claims) to provide specific documentation to support the accuracy and validity of debt claims.

As of January 1, 2023, half of all states—25 states and the District of Columbia—required debt-specific information to be provided to the court at some point in the lawsuit process, regardless of whether the defendant has answered the claim or requests such information. Fourteen states and the District of Columbia require debt specific information to

be provided both with notice of the lawsuit and when seeking default judgment, according to the data. Evaluation is needed to fully understand the impact of these requirements.

The dataset, which is available for free and [open access](#) on LawAtlas.org, was created with support from The Pew Charitable Trusts. It provides an overview of the entire debt collection lawsuit process in all 50 states and the District of Columbia as of January 1, 2023.

The data and a [policy brief](#) that offer analysis of the legal landscape and outlines [policy recommendations](#) and a future research agenda are available on [LawAtlas.org](#).

An index ranking the 50 states and the District of Columbia on whether they have adopted certain best policies for fairness in consumer debt litigation is coming soon from the National Center for Access to Justice (NCAJ) at [ncaj.org](#).

**More information:** [Policy brief](#)

Provided by Temple University Center for Public Health Law Research

Citation: State laws governing debt collection lawsuits vary widely and most still offer little protection to consumers (2024, February 15) retrieved 28 April 2024 from <https://phys.org/news/2024-02-state-laws-debt-lawsuits-vary.html>

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