

January 31, 2014

The Honorable David Santiago
Florida House of Representatives

RE: HB 413

Dear Representative Santiago:

The undersigned organizations express our concern about two provisions in HB 413, both of which would reduce important protections for consumers in Florida.

You are to be commended for creating heightened registration and monitoring tools for the Office of Financial Regulation in its efforts to address problems with debt collectors. As you may know, debt collection is nationally, in Florida and among our military, the second highest consumer complaint, right after identity theft. These complaints are against both “third party” debt collectors and “first party” creditors. So providing tools for the Office of Financial Regulation to rein in worst practices by a segment of the debt collection industry is something we all support.

Our concern, however, is with the erosion of certain protections afforded to Florida citizens. Chapter 559, Part VI, the Florida Consumer Collection Practices Act, is a consumer protection act. Our Act has provided consumers heightened protection above that provided by the federal law. First, consumers are protected against creditors engaging in collection activity that would violate the act. Most specifically, consumers can expect creditors to follow the act and not use threat or force, profane language, pretend to be an attorney or simulate a judicial process, or communicate with a consumer’s employer, to list just some of the protections. We can all agree that no one should be subject to this form of harassment or coercion whether from a “third party” debt collector or a “first party” creditor. The current law should remain.

Second, Floridians have benefited from being notified in a timely manner when a debt collector has purchased a debt and will begin collection activity. Again, the federal law does not require this but it is a crucial protection for Florida consumers today. Debt is now a multi-billion dollar industry where debt paper is bought and sold for pennies on the dollar, often changing hands numerous times. Without this notice before collection activity begins, consumers are sitting prey for identity thieves. Any burden that the debt collection industry may claim from complying with this simple requirement is far outweighed by the crucial protection afforded to Florida consumers. Section 9 of the bill should be amended.

We would look forward to supporting your important bill. Addressing these two issues would allow us to stand behind you in enhancing consumer protections.

Sincerely,

Florida Alliance for Consumer Protection



Navy-Marine Corps Relief Society, Jacksonville



United Way of Florida



Florida Prosperity Partnership



Florida State Conference NAACP



Jacksonville Area Legal Aid





Consumer Federation of the Southeast



Legal Advocacy Center of Central Florida



Florida Consumer Action Network



Public Interest Law Section of the Florida Bar

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