



Press Release  
Monday, June 29, 2015

For More Information,  
Contact:  
Mark Sullivan  
(207) 671-0542  
[msullivan@mecep.org](mailto:msullivan@mecep.org)

## **MECEP Urges the Maine House and Senate to Override Veto of Key Legislation to Protect Maine Consumers from Unscrupulous Debt Collectors**

***"L.D. 1092 will protect Maine consumers from some of the worst abuses by debt buyers and their collection agencies"***

Augusta, Maine (Monday, June 29, 2015) The Maine Center for Economic Policy (MECEP) today urged the Maine House and Senate to override a gubernatorial veto of L.D.1092, An Act To Prevent Abusive Debt Collection Practices. The legislature's Joint Standing Committee on Insurance and Financial Services gave the bill a unanimous ought to pass vote on May 14 and both the Maine House and Senate passed the bill under the hammer without debate.

"L.D. 1092 will protect Maine consumers from some of the worst abuses by debt buyers and their collection agencies," said MECEP Associate Director Jody Harris. "Unscrupulous debt buyers purchase old consumer debts from the original lender for pennies on the dollar, then they often sue the consumer without determining if the amount owed is correct, or even if the consumer still owes the debt."

Introduced by State Representative Janice Cooper of Yarmouth, L.D. 1092 is designed to ensure that collectors do not harass Mainers for debts they do not owe, to increase transparency by enhancing requirements for written notice prior to collection actions, and to guarantee that debt buyers don't abuse the court system to collect on illegitimate debts.

Debt buying collection has a big impact on Maine consumers. According to [an analysis by The Center for Responsible Lending](#), just one debt buyer stands to extract nearly \$9 million from the Maine economy in the next year in the form of lawsuit judgments and wage garnishments. That debt buyer has recently been the subject of state and federal enforcement actions for practices including falsifying documents. Additional action is needed to safeguard Mainers from being pursued for debts they do not owe.

"The amended version of L.D. 1092 is a great start," said Maine consumer Roger Mackbach, who testified about his own experiences with debt buyers at a hearing on the bill. "However, I urge legislators to continue to work on a full bill that requires transparency and full disclosure to consumers before allowing collection actions against Mainers. No Mainer should have to endure collection actions if a collector cannot provide documentation that the debt is legitimate, especially because it affects their income and their credit."

The bill addresses some of the most egregious debt collection practices in Maine, including prohibiting suing consumers for debts that are beyond the legally allowable time limit and ensuring that consumers will not be pursued for a debt if they make a payment after the legally allowable time to collect has lapsed. L.D. 1092 will encourage consumers to make good on old debts and improve their credit without leaving them vulnerable to a lawsuit.

---