



MEASURE: HB 3655
EXHIBIT: D
HOUSE REVENUE COMMITTEE
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**House Revenue Committee
Testimony in Support of HB 3655
Angela Martin, May 16, 2011**

Debt collection must rank high on the thankless job list. A debt collector's client base is comprised of people who have honestly hit financially hard times to people who may be illegally evading payment. Add to this the current reality that delinquent accounts have grown as a result of stubbornly high unemployment and the financial turmoil brought on by the foreclosure crisis, and it's easy to understand why debt collection lands on the top ten list of complaints with everyone from the state Attorney General, to the Better Business Bureau to the Federal Trade Commission.

Of the private collection firms registered to collect state accounts, all but one has outstanding consumers complaints on file with the Department of Justice. In addition, consumer complaints against these firms are registered with consumer advocacy organizations. The complaints allege violations of the Unlawful Debt Collection Act, inaccurate billing and inaccurate reporting of data to the credit reporting agencies.

From a consumer perspective, we support greater use of agency in-house debt collection as a way to ensure a superior degree of customer service and accountability. Delinquent state accounts are unique from delinquent consumer accounts in many ways. For example, the population of individuals with delinquent DHS accounts are often more vulnerable, dealing with extreme poverty, illness and/or mental health issues. Internal state agency collectors are in a better position to understand and make accommodations for the challenges they face.

HB 3655 offers the state more flexibility in managing collections in a manner that will result in the best net gain for the state and ensure the best possible customer service. We urge your support.