Testimony of Adam Foxworthy on Senate Bill 525 to the Senate General Government Consumer and Small Business Protection Committee

March 20, 2013

Dear Chair Shields, Vice-Chair George and Members of the Committee:

My name is Adam Foxworthy and I'm here to support Senate Bill 525 and to share my experience. I had planned to come from North Bend to testify before you in person, but circumstances have prevented me from being able to. I am a Journeyman Electrician, currently unemployed, and a work opportunity has arisen out of state. As you can surely appreciate with the state of the economy, work opportunities cannot be passed up.

My wife and I have had two run-ins with debt collectors and junk debt buyers. To our minds, these experiences make it clear just how much Oregon's debt collection laws are in need of reform. Although many debt collectors act legally and treat people fairly, many others do not. These two bills would go a long way toward protecting Oregonians without hampering companies that attempt to collect legitimate debts.

Our first experience took place over four year's time. In May of 2007, I was contacted by a debt collector called Mercantile Adjustment Bureau about a delinquent MasterCard account. Mercantile was calling on behalf of LVNV Funding LLC, in an attempt to collect. We paid the debt off and Mercantile sent verification of payment.

In May of 2008, I received a letter from Resurgent Capital Services on behalf of LVNV Funding, again, regarding a delinquent MasterCard account. By then, I had forgotten about the account and the payment to Mercantile. I called Resurgent, who informed me that I owed this debt, and had to settle with them immediately or risk penalties.

After pulling my credit report and realizing this was the same account, I informed them that the debt had already been paid and they needed to correct their records. The agent became very angry and told me that they would take me to court if I didn't pay. I contacted Mercantile, which verified that it had received payment, agreed to provide me with a letter showing settlement, and advised me to inform Resurgent in writing that what they were doing was illegal and to cease and desist. Before I received the letter from Mercantile, Resurgent informed me that they found the payment and were ceasing collection efforts.

In January of 2010, I received a letter from Redline Recovery Services, on behalf of LVNV Funding, attempting to collect on the same debt. Through an online debt collection forum, I was advised to send a debt validation letter, demand that Redline prove I had not paid, and to contact Mercantile for another copy of the settlement letter (I hadn't kept the previous one,

thinking the matter was settled). I sent Redline the debt validation letter and never heard from them again.

In May of 2010, I received a letter from Daniel Gordon PC, on behalf of LVNV funding, attempting to collect on the same account. I sent Mr. Gordon a debt validation letter and requested that he prove the account hadn't been paid. In November he responded with another request for payment, provided me with billing statements from the original creditor as "proof" that the debt was still owed.

By this time I had had enough. I called Resurgent and spoke to a very helpful agent there. She confirmed that I had settled the account in full on May 23, 2007. I called Daniel Gordon's office, gave them the exact date of payment, and told them that I had verified the account with Resurgent. I informed them they needed to cease collection attempts and finally they did.

As for our second debt collection experience, In June of 2011, my wife and I attended several workshops on home ownership. My wife's credit report was pulled and we found collections from Asset Acceptance LLC for Washington Mutual and from Chase Bank for a credit account.

My wife had never banked with Washington Mutual or Chase Bank so we sent both a demand for debt validation to Asset Acceptance as well as letters to the three credit bureaus stating that the accounts were false and should be removed from her credit report.

We received a response from Asset Acceptance claiming that the account that they had did belong to my wife and, and demanded payment. They did not provide the bare minimum that they are required to as debt validation, solely the original account number and the amount owed on a demand for payment.

I sent them a second letter asking them again for debt validation, and to prove that they were not attempting to collect on a time-barred debt as the debt was almost 9 years old and time-barred under the Oregon statute of limitations on consumer debt. They said they did not understand my request. Also, from the account number they provided, we did find that the Washington Mutual and Chase accounts were the same account.

So I send a third and final letter giving them 10 days to remove the item from my wife's credit and cease all collection activity or I would turn over my case to the Oregon Department of Justice, the Federal Trade Commission, and possibly a private attorney. Ultimately they acknowledged that the account had been closed for fraud and reported it to the credit bureaus, who removed the negative reports several weeks later.

Why in the world were these situations allowed to happen? In each case the debts were not legitimately owed, yet collection attempts continued. The outcomes in each case verified that we were right. No one should have to go through these sorts of lengths. Please support SB 525 and HB 2826 and help ensure that others don't have to experience what we did.

Sincerely,

Adam Foxworthy