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Contact:
Sarah Ludwig – 347-451-3742
Andy Morrison – 212-680-5100

PRESS RELEASE

GROUP TESTIFIES AT FEDERAL FIELD HEARING THAT DEBT BUYERS ILLEGALLY EXTRACT BILLIONS OF DOLLARS FROM COMMUNITIES OF COLOR

*Group travels to California to urge CFPB to end debt collection racket
as a matter of racial and economic justice*

Debt collectors engage in rampant fraud and systematically use the courts to extract billions of dollars from low-income people and people of color, according to hard-hitting testimony delivered today by Susan Shin, legal director at New Economy Project, based in New York City.

Shin traveled to Sacramento, California to share her organization's expertise from years of working with thousands of low-income New Yorkers aggrieved by discriminatory and abusive debt collection. She delivered her testimony at a hearing held by the U.S. Consumer Financial Protection Bureau, which today released a preliminary outline for new federal debt collection rules.

Focusing on debt buyers, a multi-billion dollar industry that purchases old, charged-off debts on the cheap and then aggressively seeks to collect on the debt, Shin described the impact of debt collection abuses on families and communities, and urged the CFPB to issue strong federal rules—as a matter of racial and economic justice.

In her remarks, Shin cited the real-life example of Ms. S, just one of thousands of New Yorkers who have contacted New Economy Project's hotline for assistance:

Ms. S, is an African-American resident of Queens, New York, whose only income is from Social Security disability. She had just learned that a debt buyer had frozen her bank account. It turned out that the debt buyer had sued her years ago for a debt she didn't recognize; lied to the court about notifying her of the lawsuit and about having proof of the debt; and obtained a default judgment against her – which it then used to freeze her bank account.

[Click here for the full statement.](#)

New Yorkers aggrieved by debt collection abuses are available to speak with the media about their experiences.

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