



**Memorandum in Opposition  
State of Maine LD 1466**

April 29, 2021

Senator Heather Sanborn, Chair  
Representative Denise Tepler, Chair  
Joint Committee on Health Coverage, Insurance and Financial Services  
Maine State Capitol  
Legislative Information Office, Room 220  
Augusta, ME 04333

Dear Senator Sanborn and Representative Tepler:

On behalf of PRA Group, Inc. and its wholly-owned subsidiaries (collectively, "PRA"), I am writing in **opposition** to Maine LD 1466 ("LD 1466"). This bill, as currently drafted, will have unintended consequences on all consumers in the state of Maine and would make it extremely difficult for a consumer to have access to justice in cases involving certain credit card debt.

PRA is a publicly-traded company that, through its subsidiaries, purchases portfolios of consumer receivables from major banks, and then partners with individuals as they repay their obligations, working toward financial recovery. We are a leader in the nonperforming loan industry and take our leadership obligations within our industry seriously. We work with consumers to resolve their obligations and typically offer a discount on the face value of the debt. In addition, we typically charge no interest or fees on debt we purchase domestically. PRA is also a willing participant to any action that combats predatory debt collection practices and those actions in harming both consumers and legitimate businesses.

Respectfully, PRA opposes LD 1466 as it will be harmful to both consumers and businesses. Small claims courts were created to allow for simple, efficient and low-cost dispute resolution while encouraging participation but avoiding complex rules of evidence and procedure requiring extensive legal skills. By removing credit card collection disputes from the jurisdiction of the small claims courts, Mainers would be denied access to the very courts created to serve the most financially vulnerable.



Credit card collection disputes involving consumers belong in small claims courts. Small claims courts level the playing field for pro se consumers in that they are simple, speedy and informal by not strictly applying rules of evidence or procedure. Pro se consumers, in many cases, cannot afford legal services, and are not familiar with the rules of evidence. They are therefore more advantaged in small claims courts than they would be in district court.

Additionally, LD 1466 removes equity in appeals rights for consumers and creditors. If consumers lose at trial, they are allowed the opportunity to appeal to a judge or jury based on law or fact; creditors are not. Creditors may only appeal errors of law to a judge, not a jury. Creditors are also faced with paying higher court fees than plaintiffs in other cases. Specifically, creditors are faced with a \$127 surcharge in debt collections cases. This surcharge is not assessed to other non-creditor plaintiffs and cannot be assessed to the defendant despite the creditor's success.

If the bill's goal is to help consumers, the following changes are respectfully suggested:

- Allow credit card collection disputes to be filed in small claims courts;
- Provide the same rights of appeal to consumers and creditors; and
- Remove additional fee requirements for debt collection cases ensuring equity in all cases.

PRA stands ready to work with the sponsor on reasonable amendments to this bill that will enhance consumer protections without the unintended harm to consumers and avoid unnecessary burdens that would be placed on the business community.

Thank you very much for your attention in this important matter. Please feel free to contact me directly for any further information.

Best regards,

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