

# FAIRNESS IN DEBT COLLECTION

Status

Passed by Senate

Bill

S.2713

## *An Act relative to fairness in debt collection*

This legislation would protect consumers and help keep people from being pushed into financial ruin if they are sued for financial debt. The new law would make debt collection practices fairer, protect wages, and make clear that no person can go to prison for their debt.

### Highlights

- 1 This legislation reduces the interest rate from 12% to 3% on judgments on consumer debt, which is often old debt that has been bought by debt collection companies for pennies on the dollar.
- 2 Protects at least \$975 in wages per week from a person subject to wage garnishment because of a debt.
- 3 Ensures that no one in the Commonwealth is imprisoned for failure to pay a consumer debt.

MassSenate

**PASSED**

*Protecting consumers from unfair debt collection practices*



This bill aims to implement stricter regulations on debt collectors in order to prevent financial mistreatment of Massachusetts residents. It seeks to safeguard consumers' economic security during debt repayment, prohibit excessively high interest rates, and eliminate the possibility of consumers being sent to 'debtor's prison' when facing legal action.

–Senator Jamie Eldridge (D–Marlborough)

