



June 6, 2019

Board of Directors  
Legal Services Corporation  
3333 K Street, N.W.  
Washington, DC 20007

Dear Board of Directors:

The National Association of Consumer Advocates (NACA) strongly supports the Legal Services Corporation's (LSC) mission to ensure equal access to justice and fairness for the most vulnerable. LSC is an integral part of the American justice system and is urgently needed, as Congress determined, to fund and promote legal assistance for low-income people and families. As such, NACA calls for increased LSC funding for FY2021. LSC deserves additional funds to sustain and expand on the critical work of its independent legal aid organizations that provide vital civil legal services to millions of people across the country. We appreciate LSC's budget request for FY2020 and the implied congressional support in 2019 that could lead to a funding increase. However, to fulfill its mission, LSC deserves additional financial backing until the more than 58 million people eligible to receive free legal assistance can be adequately served.

NACA is a national nonprofit association of private, nonprofit and legal services attorneys and advocates who represent hundreds of thousands of consumers each year victimized by fraudulent, abusive, and predatory business practices. NACA members include LSC-funded and non-LSC funded legal services attorneys. To aid our mission to promote a fair and open marketplace that protects the rights of ordinary people, particularly those of modest means, NACA maintains a forum for communication, networking, and information-sharing among advocates nationwide to help facilitate quality representation of clients.

LSC funding is crucial to the functioning of legal aid programs. Based on our experience working with LSC and non-LSC legal services attorneys, these programs necessarily receive supplementary financial support from other sources including state government funding programs, Interest on Lawyers Trust Accounts (IOLTA) funds, grants, foundations, *cy pres* awards, and donations. Legal aid programs may also receive limited funding in periods where the community demand spikes, such as foreclosure assistance in the decade following the 2008 financial crisis, and legal aid for homeowners and renters following natural disasters. Receiving and obtaining funding from these sources is often complex and competitive due to requests of other community and nonprofit organizations.

According to LSC's comprehensive 2017 Justice Gap Report, consumer and finance issues represented the second most common civil legal problem among low-income households, after health-related issues. Legal services attorneys, who are on the front lines witnessing the worst financial exploitation of low-income Americans, tackle serious problems on their behalf everyday. They help veterans, servicemembers, seniors, homeowners, students, victims of domestic abuse, and working families to protect and enforce their rights when confronted with distressing consumer and finance issues.

Their consumer troubles include predatory lending, abusive debt collection practices, landlord-tenant abuses, wrongful foreclosures, reverse mortgages, inaccurate and illegal credit reporting and employment background checks. Notably, legal services attorneys also assist vulnerable people struggling with medical debt collection, identified by the Justice Gap Report as the most common civil legal problem in the health category.

Legal aid attorneys carried out exemplary work in 2018 on behalf of their communities. For example, LAF, which services Cook County, IL residents, had a financial impact of \$12+ million in its consumer-related legal aid (including homeownership and foreclosure assistance) – increasing assets, income, and decreasing debt for hundreds of people. LAF's consumer assistance and homeownership/foreclosure assistance had success rates of 95% and 94% respectively. Bankruptcy, debtor relief, and collections cases topped the categories of legal problems with successful consumer outcomes for LAF clients. Other positive, real-life results from LAF's work include: consumers who avoided utility shut-off and benefited from reduced car payments; consumers whose credit reports were cleared of fraudulent balances incurred by associates who had committed identity theft against them; and consumers who were able to stop attempted garnishment of their wages.

At Manhattan Legal Services NYC, consumer legal services attorneys provide direct representation to consumers and work on broader impact cases that typically involve significant claims against debt collectors for violations of federal law. Manhattan Legal Services helps consumers to vacate car loan deficiency judgments, including in incidents involving massive auto fraud. This office also assists low-income consumers in landlord-tenant cases, including collections cases brought by landlords against tenants for rent arrears that are not owed. Attorneys also assist tenants who are denied affordable housing based on poor credit, particularly domestic violence survivors who were subjected to economic abuse.

Central Jersey Legal Services (CJLS), which serves Mercer, Middlesex and Union Counties in New Jersey, closed 732 consumer cases in 2018. CJLS' consumer work includes assisting consumers with bankruptcy issues, collections, credit access, utility billing/shut-offs, unfair sales practices, and predatory lending. These attorneys are also seeing consumers with student loan issues and mortgage serving problems. While housing/foreclosures and medical collections are not included in the 2018 consumer case total, CJLS attorneys continue to help consumers facing these issues.

The Texas RioGrande Legal Aid Consumer Team covers a service area of 68 Texas counties. TRLA assists consumers with advice or representation in student loans, debt collection lawsuits, unlawful vehicle repossessions, deceptive sales practices, auto fraud, credit reporting errors and identity theft. In 2018, the attorneys closed 1,127 cases, and cancelled approximately \$104,158 in consumer debt.

The value of legal aid attorneys' work, particularly in consumer protection, is generally underrated. In many cases, the results of their work not only help the individuals who the attorneys represent directly, but also benefit the larger community. Predatory and illegal conduct of bad actors in the marketplace disproportionately impacts individual low-income individuals and families. Any progress that legal aid programs make to reduce risky business practices benefits consumers and the marketplace as a whole. Harmful business conduct, as well as new and growing threats in the marketplace, continues to threaten consumers' finances and general welfare. To keep up, consumer divisions at legal aid programs should be much larger.

Legal Services Corporation is key to ensuring civil legal aid to millions of consumers who face burdensome legal issues that impact their daily lives. We urge the board to increase its request for funding in FY 2021 which will benefit LSC and ultimately, the millions of Americans that its programs serve.

Thank you for considering our views and leading the effort to support the valuable contributions of legal services attorneys and uphold the critical societal function of legal aid programs.

Sincerely,



Christine Hines  
Legislative Director