



## **General Background about NACA**

The National Association of Consumer Advocates (NACA) is a nationwide organization of more than 1,500 consumer advocate and attorney members who represent hundreds of thousands of consumers victimized by fraudulent, abusive, and predatory business practices. As an organization fully committed to promoting justice for consumers, NACA's members and their clients are actively engaged in promoting a fair and open marketplace that protects the rights of consumers, particularly those of modest means.

Over the years, NACA has worked to fulfill its mission by helping to create a community of public, private, and legal aid attorneys committed to representing consumers. NACA teaches law students and new lawyers about potential consumer advocacy careers, provides substantive and professional development training and support for both new and long-time consumer attorneys, and builds a community that allows for networking, information sharing, and cooperation among the members of our advocacy community. NACA also directly educates and trains consumers about their legal rights and advocates for consumer justice in local, state, and national legislative and regulatory bodies.

## **NACA's Mission**

NACA's mission is to promote justice for all consumers by maintaining a forum for communication, networking, and information sharing among consumer advocates across the country and by serving as a voice for its members and consumers in the ongoing struggle to curb unfair or abusive business practices that affect consumers. Some of the key issues we focus on include:

- Credit Reporting Errors
- Identity Theft
- Debt Collection Abuse
- Abusive Robocalls
- Payday Lending
- Mortgage Lending and Servicing Abuses
- Auto Fraud
- Unfair Bank and Transaction Fees
- Military Consumer Protection
- Misleading and Deceptive Advertising
- Forced Arbitration

## NACA's Advocacy

NACA has worked at the federal, state, and local level to promote consumer protection as a necessary means to building a fair, open, and honest marketplace. Our efforts have included the following:

- ***Mortgage Servicing and Foreclosure Prevention*** – NACA, in partnership with the Center for Responsible Lending, developed a nationwide project that funded and trained newly created legal service attorney positions dedicated to preventing foreclosures. Through organizing and coordinating their effort, NACA identified some of the worst mortgage servicing abuses and used the expertise we developed to influence the servicing standards established by the National Mortgage Settlement and later strengthened and codified by the Consumer Financial Protection Bureau.
- ***Uniform Law Commission*** – NACA and its members are actively engaged in serving as the voice of consumers in the legal community's efforts to draft model state laws. Using our substantive expertise, NACA has worked with ULC committees on issues ranging from wage garnishment, to mortgage and debt registries, to the foreclosure process, to model arbitration laws. Often, NACA is the only representative of consumers engaged in this important effort.
- ***Debt Buyer Abuses*** – NACA's members are typically the only attorneys in the country who represent consumers in small debt collection cases. Our members' presence in courtrooms across this country has stopped countless improper debt collection actions and also helped in identify debt buyers' abuse of our justice system (through the use of improper service of process, false affidavits, and otherwise inadmissible evidence). The stories our members have told have led to significant legislative and regulatory actions and important FTC, CFPB, and state Attorney General litigation.
- ***Forced Arbitration*** – Over the years, NACA has worked with consumer advocates to expose the ways in which forced arbitration clauses trap consumers in a private, non-judicial, system that is rigged in favor of corporations. NACA spearheads the Fair Arbitration Now Coalition, a national coalition of over 20 consumer, civil rights, and labor organizations. Through our coalition work, public education campaigns, and advocacy, NACA has lead the way in educating consumers, Congress, state legislatures, and fellow consumer advocates about how forced arbitration clauses deny consumers their fundamental right to our public justice system.

NACA's work is accomplished by:

- ***Community Building*** – During the last decade, NACA has built a dedicated force of over 1,500 advocates committed to representing consumers in matters both big and small. NACA's members are the nation's (and their local communities') experts in helping consumers faced with unfair or deceptive business practices. Their work includes matters ranging from preventing home foreclosures, to correcting credit reports, to stopping

improper debt collections, to simply protecting the assets of families struggling to make ends meet.

- **Information Sharing** – NACA has built a “virtual” consumer law community - where our members work together to share ideas and strategies about the best ways to protect consumers. Through this information sharing, NACA’s members have led the way by being the first to identify legal problems including: the rampant abuses in mortgage servicing (“robosigning”), debt buyer legal actions (the collection of out of statute debt) and credit reporting (the failure of credit bureaus to fully document consumer disputes). Using this collaboratively gained information, NACA members and their clients have been both a key source for the media and have provided important testimony at countless state and national hearings.

### **How NACA uses Cy Pres**

#### *Support for Legal Aid and Private Consumer Advocates*

Consumer litigation support will include efforts to recruit, encourage, and support the expanded availability of legal representation for consumers who have been subjected to unfair or deceptive business practices. This will include in-person and web-based trainings and continuing legal education, mentoring by NACA’s experienced consumer protection specialists, and increased access to a growing depository of legal practice aids and resources.

Cy pres funds are used to expand and further develop NACA’s referral system designed to provide access to legal help to consumers. Further, NACA is committed to designing better communication systems and discussion forums that provide business practice, case management, and substantive legal support for new private and legal aid attorneys learning to become consumer advocates. These forums will include, as appropriate, the nuts and bolts of starting a small consumer law practice; advice on such matters as case selection, settlement tactics, motions practice, and trial and appellate advocacy; and the means to link attorneys with similar practices and clients.

#### *Direct Consumer Education*

Many consumers go unrepresented in our justice system. NACA is committed to providing education to consumers, with a particular emphasis on members of our nation’s military. Through brochures, videos and on-site training—we have a significant project arranging consumer advocate visits to military bases—NACA hopes to reach a wide range of consumers in need of legal advice and representation.

One of the most effective means for assuring that consumer education is provided to consumers when it is most needed and most likely to be put to good use is to enlist the help of legal service organizations who often work with struggling consumers. NACA—with strong legal aid attorney membership—provides our member programs with easy access to all our consumer education materials and tools.