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Texas Justice Courts See 82 Percent Increase in Debt Claim Cases

New website launches to inform Texans of their rights and combat deceptive debt collection practices

AUSTIN, Texas — The phone rings, and many Texans may struggle to determine if the person on the other end of the line is a debt collector or a scammer posing as one. Even in instances when a debt collector calls to collect on an actual debt, it may come with threats, lies or repeated harassing calls, which is unlawful.

That is magnified by the fact that an estimated 80 percent of Texas defendants in debt claims cases in justice court did not have an attorney to represent them, while the number of cases going before Texas justice courts increased 82 percent between FY 2014 and the latest year on record, FY 2017 — an additional 75,000 new cases. Forty-four percent of Texans have a debt in collections, well above the national average of 33 percent. In some Texas counties, the rates are as high as 66 percent.

Texas Appleseed, a public interest justice center, is launching www.MyDebtCollectionRights.org, a new toolkit to inform Texans of their rights, help people learn more about debt collection, and help Texans spot scams and other deceptive practices. The toolkit encompasses “guidebooks” covering four areas: tips to determine if a debt collection call is real or a scam, common scare tactics used by debt collectors, what to do if you’re sued by a debt collector, and what it means to be judgment proof. Other key resources include four informational videos, which feature actual experiences of two Texans, and a form Texans can use to respond to a lawsuit.

Texas Appleseed has also collaborated with SMU’s Dedman School of Law and Fish & Richardson on a related tool that will be housed on My Debt Collection Rights. If a debt collector has filed a lawsuit in court, then Texans should be sure to “answer” by filing a written Answer with the court before the deadline. The new Debt Collection Lawsuit Answer Writer tool helps people protect themselves from unfair debt collection practices. It asks a series of questions that are then used to create a custom Answer for that person, which can then be provided to the court.

“We are seeing are more and more debt collection cases, and on top of that, few people have legal counsel to guide them through the process,” said Ann Baddour, director of Texas Appleseed’s Fair Financial Services project. “Our state ranks sixth in the nation when it comes to complaints made to

the Federal Trade Commission about debt collection. We saw a need for a resource to help out the thousands of Texans who are affected by this issue.”

Texas Appleseed thanks the Texas Bar Foundation for generously funding the videos featured in the toolkit.

About Texas Appleseed

Texas Appleseed is a public interest justice center that works to change unjust laws and policies that prevent Texans from realizing their full potential. Our nonprofit conducts data-driven research that uncovers inequity in laws and policies and identifies solutions for lasting, concrete change. For more information, visit www.TexasAppleseed.org.

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