DEBT COLLECTION LAB

More Paper in Connecticut: An Evaluation of Documentation Reforms in State Court

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EXECUTIVE SUMMARY

Debt collection lawsuits have inundated civil courts nationwide, often resulting in default judgments and severe financial consequences for defendants. Concerns about abuses due to incomplete evidence prompted Connecticut to strengthen documentation requirements starting in 2011, mandating comprehensive documentation from plaintiffs. This report examines the impact of Connecticut's debt documentation reforms on debt collection litigation in state court, focusing on the period from 2010 to 2022. Our analysis highlights significant changes in court processes and case outcomes due to enhanced evidentiary standards. Additionally, we present findings from a compliance review of debt buyer lawsuits in small claims court between 2021-2022, revealing widespread noncompliance with documentation requirements.

Key Findings

Connecticut Superior Court DiD Analysis

We use a difference-in-differences (DiD) approach to assess the impact of 2014 changes to the superior court rules on court outcomes such as filings and default judgments. These rule changes required third-party plaintiffs to provide evidence of the debt (through a copy of original debt contract and account statements), the amount of the debt (through itemization and explanation of fees and account statements), and ownership of the debt (through bills of sale and specific testimonial evidence). We found:

Drop in Filings by Third-Party Plaintiffs: The reforms led to a decrease of approximately 10 filings per quarter by third-party plaintiffs relative to first-party plaintiffs, suggesting that the heightened documentation requirements may have deterred meritless lawsuits.

Defendant Attorney Representation and Response Rates: The reforms did not significantly affect the rate at which defendants were represented by an attorney, nor can we conclude that they affected defendant response rates. An average of 16% of defendants responded to the debt collection suits during the period analyzed. An average of 8.5% were represented by counsel at some point during the suit while all third-party plaintiffs were represented by counsel.

Amount in Controversy and Writs of Execution: The 2014 rules did not systematically affect the difference in amount in controversy between first- and third-party creditors; however, the filing of writs of execution by third-party plaintiffs decreased by approximately 15 percentage points relative to original creditor plaintiffs after the 2014 reform, down by almost half of the average writ of execution rate of 33% among all cases. Enhanced

evidentiary standards may have made it more challenging to enforce judgments without proper documentation. On the other hand, the documentation requirements may have motivated consumers to resolve the matter by payments, rather than risk a writ of execution.

Time to Judgment and Default Judgment Rates: The reforms did not significantly impact the time to judgment or default judgment rates, indicating that the overall pace of case resolution and likelihood of default judgments among cases filed remained consistent.

Review of Compliance with Documentation Requirements in Connecticut Small Claims

In addition to the DiD analysis, we reviewed 88 randomly selected small claims lawsuits filed by debt buyers in Connecticut between 2021-2022 to identify whether filers included all required documentation of ownership of the debt. **We did not find a single case where the plaintiff debt buyer complied with *all* the documentation requirements.** Although it is a small sample, because it is random and the effect size is so large, we can estimate that the actual probability that debt buyers are fully compliant in a larger sample would be smaller than 5%.

Despite the noncompliance, in most cases the debt buyer obtained a default judgment. This is a failure of plaintiff compliance, but responsibility also lies with the courts as—per the rules and statute, judgments are not supposed to have been entered in these cases.

Key areas of non-compliance included:

- All but one plaintiff failed to attach a copy of the contract as required by court rule.
- No plaintiff filed an affidavit that included a statement about the statute of limitations as required by court rule.
- 74% of plaintiffs filed affidavits that did not meet statutory requirements regarding listing the contact information of previous debt buyers and dates of purchase.

The reforms may have successfully improved the quality and fairness of debt collection litigation by reducing the number of filings unsupported by the required documentation and influencing certain procedural behaviors in superior court. However, the compliance review highlights significant gaps in adherence to documentation requirements, raising concerns about the integrity of the debt collection process in Connecticut.

We urge the Connecticut judiciary to implement audits and multiple points of review to ensure that these errors are caught quickly. We propose that for cases where judgment has already been entered, upon application for a writ of execution, the judge review case documents for compliance with documentation requirements, and not issue a writ of execution if the plaintiff did not comply with the court rules and applicable law.

BACKGROUND

The Policy Context

Consumer debt lawsuits, where creditors sue consumers for unpaid debt, continue to flood state courts.[1] This rise in debt collection litigation has been rife with abuses.[2] Debt collection in the United States has become an "assembly line," where collectors sue debtor consumers by the thousands and rely on both consumers' and courts' passive role in this process to win judgments in their favor.[3] A key enabling factor in assembly-line litigation has been the low standards of evidence upon which debt collectors can obtain favorable judgments in civil courts. Over the past fifteen years, regulators, advocates, and other commentators have repeatedly documented cases of debt buyer plaintiffs who bring suit for debts that are not substantiated by proper documentation—such as a copy of the original loan contract, proof of the identity of the debtor, a clear itemization of what is owed, or evidence that the collector is legally authorized to collect on the debt.[4]

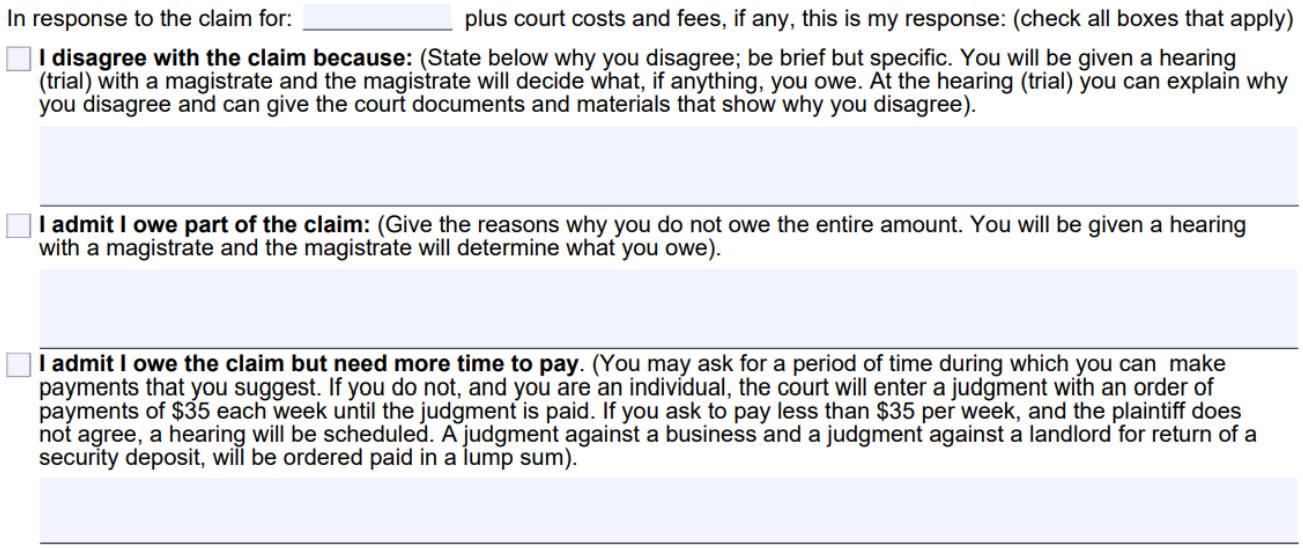
The result is that consumers are in danger of being sued for debt that is not theirs, is for the wrong dollar amount, has passed its statute of limitations, or is not actually owned by the collector. Even when collectors bring suits with insufficient evidence, consumer defendants who lack legal literacy may end up with default judgments entered against them. Among the 34,000 debt suits brought in Connecticut's superior courts between 2020 and 2022, 82.5% of defendants did not have legal representation and 46% of all suits brought resulted in default judgment.[5] Default judgments are frequently accompanied by wage garnishments, bank levies, and liens on property that can be disastrous to defendants' financial well-being.

The State of Connecticut took a comprehensive approach to reform in this area. Since 2011, the state has strengthened evidentiary standards for debt collection lawsuits multiple times through both judicial rulemaking and legislation. These efforts include amendments to Sections 24-24 (2011, 2015) and 17-25 (2014) of the Connecticut Superior Court's Practice Book and Con. Gen. Stats. § 36a-813 (2016, 2018). Broadly, these reforms require plaintiffs in debt collection suits to provide evidence of the debt (through a copy of original debt contract), the amount of the debt (through itemization and explanation of fees), and ownership of the debt (through chain of title evidenced by bills of sale or specific testimonial evidence). Most of these requirements are a condition of a court entering a default or other judgment and vary based on whether the suit is brought in small claims or civil court and whether the plaintiff is an original creditor or a third-party debt buyer.

There are other distinct features of Connecticut law that affect the debt collection process. Unlike in states where a negotiated resolution is generally conducted out of court between

the creditor plaintiff and the consumer defendant, in Connecticut the state plays a role in creating a payment plan and using a standard form to present the settlement offer to the consumer. Settlements may thus be higher (and rates of requests for writs of execution lower) in Connecticut than in other states due to a Connecticut statute that permits courts to set an order of "nominal installment payments" in both superior and small claims court without the defendant being present.[6] In superior court, the plaintiff can request a "weekly payment order" as part of their request for a default judgment.[7] In small claims court, the answer form the court sends to the defendant after a case is filed provides three "check-box" options to the defendant as shown in Figure 1.

Figure 1 - Part of the Connecticut Small Claims Answer Form, Form JD-CV-40A1. The defendant is not required to use this form to file their answer, but the form is sent to every defendant and it does not



In response to the claim for: _____ plus court costs and fees, if any, this is my response: (check all boxes that apply)

☐ **I disagree with the claim because:** (State below why you disagree; be brief but specific. You will be given a hearing (trial) with a magistrate and the magistrate will decide what, if anything, you owe. At the hearing (trial) you can explain why you disagree and can give the court documents and materials that show why you disagree).

☐ **I admit I owe part of the claim:** (Give the reasons why you do not owe the entire amount. You will be given a hearing with a magistrate and the magistrate will determine what you owe).

☐ **I admit I owe the claim but need more time to pay**. (You may ask for a period of time during which you can make payments that you suggest. If you do not, and you are an individual, the court will enter a judgment with an order of payments of $35 each week until the judgment is paid. If you ask to pay less than $35 per week, and the plaintiff does not agree, a hearing will be scheduled. A judgment against a business and a judgment against a landlord for return of a security deposit, will be ordered paid in a lump sum).

If the defendant selects the third box, the judge will enter a weekly order of payments for $35 per week and a settlement on the case. This system was in place before and after the rules changes, so while it likely accounts for a different rate of default judgment compared to other states, it is an institutional feature that does not change during the time of the study.[8]

Below, we provide an overview of how debt documentation reform developed in Connecticut before proceeding to an analysis of the reforms' impact. We undertake: (1) a difference-in-differences (DiD) analysis of the effect of changes to Section 17-25 on various outcomes in civil courts; and (2) an observational analysis of compliance with section 24-24 and Con. Gen. Stats. § 36a-813 in a random sample of 88 records from the small claims court docket. We chose Section 17-25 for the event study because it was the first major implementation of documentation requirements in the superior court where the data was available.

We begin with the Connecticut documentation laws in the order in which they were first enacted.

Small Claims Court: Practice Book Section 24-24 (2011)

In Connecticut as in other jurisdictions, debt collection suits can be brought in small claims or civil court, which in Connecticut are called superior courts. Civil courts are the traditional site for settling civil disputes among parties, such as debt buyers and consumers. When the amount in dispute is under a designated jurisdictional threshold, debt collectors may also bring suits in small claims court. In Connecticut, cases in which less than $5,000 in damages is sought may be filed in small claims court, where they may be more quickly resolved with streamlined steps for filing and appearances and less formal evidentiary procedures.[9] The first of the Connecticut reforms on this topic became effective in Connecticut small claims in 2011 through a rule.

Discussions of debt documentation reform in Connecticut began with a focus on small claims court. In June 2008, the state Judicial Branch's Small Claims Legal Issues Subcommittee, a committee that studies and recommends changes to small claims met and discussed goals that included: "a fair debt collection process for a credit based economy that is user friendly and efficient, fairness to unrepresented litigants, returning to the concept of a 'people's court', and a fair and balanced system that is streamlined and provides access to all."[10] In line with these goals, various superior court judicial committees began to consider revisions to the Connecticut Practice Book, which contains the official rules for legal practice in the state's superior court.[11] Specifically, they began to revise the Practice Book's Section 24-24, which sets forth the requirements for debt suits to enter judgment in small claims court.

In 2010, the judges of the superior court approved amendments to Section 24-24 that would strengthen the evidentiary standards for obtaining judgments in small claims debt suits.[12] The revised Section 24-24 requires: (1) an affidavit of debt with specific disclosures, signed by an appropriate representative of the debt collector plaintiff; and (2) documentation of the original debt contract and bills of sales that establish the plaintiff's ownership of the debt.

Specifically, the rule requires debt collector plaintiffs to file affidavits of debt that (1) set forth the amount due and itemizes the principal, fees and interest,[13] (2) state the basis upon which the plaintiffs claim that the debt's statute of limitations has not expired, and (3) state that the plaintiff owns the debt. The affidavit must be signed by the plaintiff or an appropriate representative who is not the plaintiff's attorney.

Section 24-24 also specifies the documents that must accompany the affidavit. Plaintiffs must include:

- A copy of the original debt instrument or contract (i.e. a copy of the original contract between the consumer and the original creditor).

- If they are claiming any charges based on a provision in the contract, they must include a copy of the portion of the contract that supports this.

Further, if the plaintiff is not the original creditor, they must either: (a) include all bills of sale back to the original creditor or (b) include the most recent bill of sale from the plaintiff's seller and specify in the affidavit all previous debt owners and dates of sale.[14] (See Appendix A for full chart of Section 24-24 requirements).[15] Although additional minor changes to the law passed in 2014 (effective January 1, 2015), the key requirements of the rule have remained unchanged since the original 2011 effective date.

Superior Court: Practice Book Section 17-25 (2014)

Following the amendment of Section 24-24 in 2011, the Superior Court's Civil Commission, responsible for reviewing practices in Connecticut's civil court, noted in 2012: "The small claims rules provide a clear set of directions as to what kinds of documents need to be attached when seeking judgment after the entry of a default, what the affidavit needs to contain, requirements [regarding] military affidavits, and the ability of the court to conduct a hearing if it is deemed necessary."[16] In order to conform with these standards, the commission revised Practice Book Section 17-25,[17] which sets forth requirements for debt suits brought in civil court to enter default judgments, building on Section 14-24's requirements in small claims cases.

Effective January 1, 2014, all motions for default by a plaintiff, whether they are a first- or third-party creditor, were required to have an affidavit of debt, which must be signed by the plaintiff or their authorized representative who is not the plaintiff's attorney, The affidavit of debt must include:

- a statement of the amount due or the principal owed and an itemization of interest, attorney's fees, and other charges claimed,
- a statement that any documents attached are true copies of the originals,
- a statement of the interest claimed, the dates from and to which the interest is computed, the rate of interest, the manner it was calculated, and the authority on which the claim for interest is made,
- a copy of the portion of the contract containing the terms that provide for any fees or charges other than interest along with the amount claimed, and
- a statement containing reasons for why the specific amount of attorney's fees, if any, is being requested so that the judicial authority can determine the relationship between the amount requested and the actual and reasonable costs incurred by counsel.

If the plaintiff's motion for default is filed by a third-party creditor, the affidavit of debt must, in addition, include:

- a statement that the contract is owned by the plaintiff,
- a copy of the contract,
- either
    - all bills of sale back to the original creditor and a sworn statement that the debt was purchased from the last owner, or
    - a recitation of the names of all prior owners of the debt, the date of each prior sale, the most recent bill of sale from the plaintiff's seller, and a sworn statement of the purchase of the debt from the seller.

Effective January 1, 2014, the revised Section 17-25 brought to the superior courts many of the evidentiary standards established in Section 24-24. To obtain default judgments for civil debt suits, plaintiffs must file an affidavit of debt that states: (1) the amount owed and itemizes any interest and fees, (2) that the plaintiff owns the debt, and (3) that any attached documents are true copies of the originals. The affidavit must be signed by an appropriate representative of the plaintiff who is not the plaintiff's attorney. The documentary requirements of Section 17-25 also mirror those of Section 24-24. Like in small claims court, third-party debt collector plaintiffs must include an "executed copy" of the contract assigning them the debt, and if they are claiming any additional charges based on a provision in the contract, must include a copy of the portion of the contract that supports this. If the plaintiff is not the original creditor, they must either include all bills of sales back to the original creditor or include the most recent bill of sale and specify in the affidavit all previous debt owners and dates of sale[18] (see Appendix A for more detail).

The revisions to Section 17-25 ensured consistency between debt suits in Connecticut's civil and small claims court. For our purposes, some parts of the rule applied to both first and third-party creditors, while others applied only to third-party creditors. This gives us the opportunity to compare outcomes for first and third-party creditors. Appendix A highlights in yellow parts of the rule/law that apply to both original creditors and third-party plaintiffs; unhighlighted text only applies to third-party plaintiffs.

The differences are that in civil court, Section 17-25 requires plaintiffs to state that any documents included with the affidavit of debt are true copies of the originals. Additionally, unlike small claims plaintiffs under Section 24-24, civil plaintiffs under Section 17-25 have no requirements regarding a debt's statutes of limitations.

Statutory Change: Con. Gen. Stats. § 36a-813 et seq. (2016)

The Judicial Branch's Practice Book reforms were subsequently reinforced by Connecticut's legislature. In 2015, the Connecticut General Assembly established several documentation and disclosure requirements for creditor plaintiffs. Most of these requirements restated rules that were already in place because of Connecticut court rules. The new requirements were of three types.

First, there were additional requirements placed on third-party creditors in debt collection cases. Third-party creditors must file with the court:

- Documentation containing the original or charge-off account number of the debt
- The address of each prior owner of the debt

Second, charged-off credit card debt that is purchased by a third-party creditor must be substantiated with:

- A copy of the most recent monthly statement recording a purchase transaction, service billed, last payment or balance transfer
- A statement reflecting the charge-off balance
- (For consumer debt purchased on or after Oct. 1, 2016) a monthly account statement sent to the debtor while the account was active which shows the debtor's name and address
- A post charge-off itemization of the balance if the balance is different from the charge-off amount

Third, the protections of the statute of limitations are strengthened so that:

- No first- or third-party creditor can collect debt owed when they know or reasonably should know the applicable statute of limitations has expired
- Once the statute of limitations has expired, any payment toward or affirmation of the debt shall not extend the statute of limitations

In 2016, the Connecticut General Assembly enacted Con. Gen. Stats. § 36a-813 , which overlaps in part with Sections 24-24 and 17-25.[19] (See Appendix A for full requirements). As enacted, the law only applies to "consumer collection agencies" (collection agencies and debt buyers) in actions commenced after October 1, 2016, and since 2018, has included a private right of action against debt collectors.[20]

Analyses of the rules

This report assesses the impact of the above debt documentation reforms in Connecticut, using an event study focused on the 2014 reforms that govern changes to filings in civil court.[21] We observe the effect of the rule change on outcome variables observed in civil filings for the four years before the rule change and seven years after. We compare the differences in filing rates and outcome variable rates between original creditor plaintiffs and third-party debt collectors, on whom the bulk of the documentation requirements are imposed by the rule change. The report also assesses compliance with the debt documentation reforms that apply to small claims (Practice Book section 24-24 and the statutory change).

While many research reports, journalism, and scholarly articles have shed light on the abuses of debt collection litigation, evaluations of policy reforms in the area have been much more limited. In one study of debt litigation in Indiana, professor Judith Fox noted that after the Indiana Supreme Court implemented requirements for affidavits of debt in 2011, Midland Funding, one the nation's largest debt buyers, temporarily decreased filing.[22] When Maryland adopted similar rules in 2012, consumer rights lawyer Peter Holland observed higher complaint dollar amounts, lower judgment amounts, more defendants expressing intentions to defend themselves against the debt complaint, and a variety of other mixed or unchanged outcomes in a small sample of cases.[23] However, in both studies, the outcomes are difficult to attribute directly to the reforms.

A more direct analysis of debt documentation reform was conducted by Julia Barnard and others at the Center for Responsible Lending, who examined a sample of cases from California courts after the state strengthened documentation requirements in 2014.[24] The Center found that cases filed by top debt buyers temporarily decreased following reform, although this decrease is difficult to attribute directly to the policy change. In addition, large proportions of the cases examined by researchers lacked the newly required documentation.[25]

As states across the United States work towards reforms to ensure fairness in debt collection litigation, it is critical that researchers build a body of evidence about the impacts of various policy efforts. We contribute to this goal by evaluating debt documentation reform in the State of Connecticut. We conduct an econometric analysis of the effect of the 2014 reforms in civil court, and qualitatively examine compliance with the 2011 small claims rule and 2016 statute in a sample of small claims debt suits.

Data and Methodology

We use court filing data from all 20 superior courts in Connecticut from 2010 to 2022, totaling 199,867 debt collection cases obtained from the Connecticut court directly.[26] We study multiple outcomes: attorney representation, defendant response, writ of execution, time to judgment, case value, rate of default judgment, time to default judgment, satisfaction of judgment, and number of filings.

While the 2014 superior court rule change applied to every type of plaintiff seeking a default judgment, it imposed a higher burden on third-party debt buyers or third-party debt collectors. Purchasers or assignees of debt were newly required to include in their affidavit of debt a statement "that the instrument or contract is now owned by the plaintiff" and to attach "a copy of the executed instrument or contract" to the affidavit. In addition, purchasers of debt must choose one of two options:

(1) Attach all bills of sale back to the original creditor and swear to its purchase of the debt from the last owner in its affidavit of debt; or
(2) In the affidavit of debt, recite the names of all prior owners of the debt with the date of each prior sale and include the most recent bill of sale from the plaintiff's seller and swear to its purchase of the debt from its seller in the affidavit of debt.[27]

While all plaintiffs must include "a statement that any documents attached to it are true copies of the originals," this imposes an additional burden on debt buyers since they are responsible for identifying additional documents the truth to which they are attesting.

We use this heightened burden on third-party debt collectors to estimate a causal effect of the new legislation using a difference-in-differences (DiD) approach. We compare case outcomes (e.g. number of filings) by third-party debt buyers or third-party debt collectors to outcomes of original creditors before and after the new law went into effect in January 2014. This methodology identifies the effect of additional reporting requirements on third-party creditors, as well as any differential effect of the common reporting requirements on third-party creditors.

Using the DiD method requires us to distinguish between plaintiffs that are more and less affected by the 2014 law. To categorize plaintiffs, we examined every plaintiff that filed more than 20 cases per year during the study period and classified each filer as either an original creditor or a third-party debt collector using Connecticut's list of licensed debt collectors, websites maintained by the creditor entities, and the California Secretary of State website.

We exclude over 38 thousand observations (19.1%) where the filing threshold was below the rate of 20 cases filed per year. We exclude these low-volume filers from our classification of plaintiffs as the original creditor or a third-party debt collector because they are unlikely to be cases brought by companies that are primarily engaged in the business of consumer debt collection, or the extension of consumer credit, and therefore not the intended target of the legislative and court rule reforms.

The DiD methodology compares case metrics and outcomes (e.g. number of filings and rate of default judgment) of cases filed by plaintiffs that are more affected by the legal change, to case metrics and outcomes in cases brought be plaintiffs less affected by the law, original creditors, before and after the new law went into effect in January 2014. This means that we control for changes in rates of filing for individual creditors that may be due to outside factors, allowing us to isolate and evaluate the causal effect of the change in the documentation requirements. To account for unobserved time invariant factors that might bias the estimates, we include creditor fixed effects in all our analyses. This means that we control for changes in rates of filing for individual creditors that may be due to outside factors, allowing us to isolate and evaluate the causal effect of the change in the documentation requirements. Standard errors are clustered at the plaintiff level.

Our approach renders unbiased estimates of the effects of the 2014 law on third-party creditors under the assumptions that: (1) absent the court rule change implemented in 2014, case metrics and outcomes (e.g. number of filings, rate of default judgment, etc.) for third-party plaintiffs and original creditors would have evolved in the same way as before, and (2) the common elements of the 2014 law had the same effect on first- and third-party creditors. We check the plausibility of the first assumption by estimating a treatment effect for each quarter before and after the court rule change went into effect. If the estimates for quarters before 2014 are not statistically different from zero, we cannot reject the hypothesis that the outcomes had parallel trends before the new law went into effect, making the assumption of counterfactual parallel trends after 2014 more plausible.

DiD Results

Table 1 shows the mean of each variable observed for all filings, and for filings by original creditors and third-party creditors, and in parentheses, the standard deviations for each outcome. It also shows the difference between original creditor and third-party means, for each outcome studied in this report. Between 2010 and 2022 there were over 3,100 filings per quarter per court on average. Approximately 35% of the filings corresponded to filings by third-party plaintiffs. The defendants were represented by an attorney in only 8.5% of the cases. Representation rates were almost three percentage points higher for defendants sued by the original creditor than for defendants sued by third-party plaintiffs. Similarly, defendant response rates were over 2 percentage points higher for defendants sued by original creditors than for defendants sued by a third-party plaintiff. Only 16% of defendants responded to the debt collection suits during the period analyzed.

The variable establishing case value above and below $2,500 was set according to the filing fee paid by the plaintiff, which varies by case value (cases valued at greater than or equal to $2,500 require a higher filing fee). The majority (~90%) of debt collection suits in the data set involved unpaid debt exceeding $2,500. In a third of the cases in which a judgment was entered, a writ of execution was filed, with no significant differences by type of plaintiff. On average, it took plaintiffs 31 weeks to get a judgment, but it took 36 weeks for third-party plaintiffs, almost 8 weeks more than cases filed by original creditors, which obtained judgments in an average of just over 28 weeks. Both the proportion of cases ending in default judgment and the time to get that default judgment were higher among cases filed by third-party plaintiffs. Finally, satisfaction rates were similar for third-party plaintiffs and original creditors, averaging 18% of cases.

Table 1 - Summary Statistics Whole Period (2010-2022)

	Total	Original Creditor	Third-Party	Difference
Average Filings per Quarter	3,108	2,021	1,087	934*
	(1,450)	(925)	(664)	(97)
Defendant Response Rate	0.158	0.166	0.142	0.023*
	(0.021)	(0.027)	(0.023)	(0.005)
Attorney Representation Rate	0.085	0.095	0.066	0.029*
	(0.018)	(0.025)	(0.015)	(0.004)
Amount in Controversy < $2,500	0.096	0.095	0.090	0.006
	(0.052)	(0.045)	(0.102)	(0.014)
Amount in Controversy >= $2,500	0.896	0.893	0.910	-0.017
	(0.053)	(0.048)	(0.102)	(0.014)
Writ of Execution Rate	0.334	0.331	0.337	-0.006
	(0.099)	(0.093)	(0.124)	(0.011)
Time to Judgment (Weeks)	31.2	28.6	36.1	-7.5*
	(8.4)	(7.8)	(10.9)	(1.1)
Default Judgment Rate	0.461	0.449	0.484	-0.035*
	(0.079)	(0.081)	(0.091)	(0.008)
Time to Default Judgment (Weeks)	27.9	25.8	32.0	-6.2*
	(8.1)	(7.8)	(10.3)	(1.1)
Satisfaction Rate	0.180	0.181	0.173	0.008
	(0.075)	(0.071)	(0.089)	(0.007)

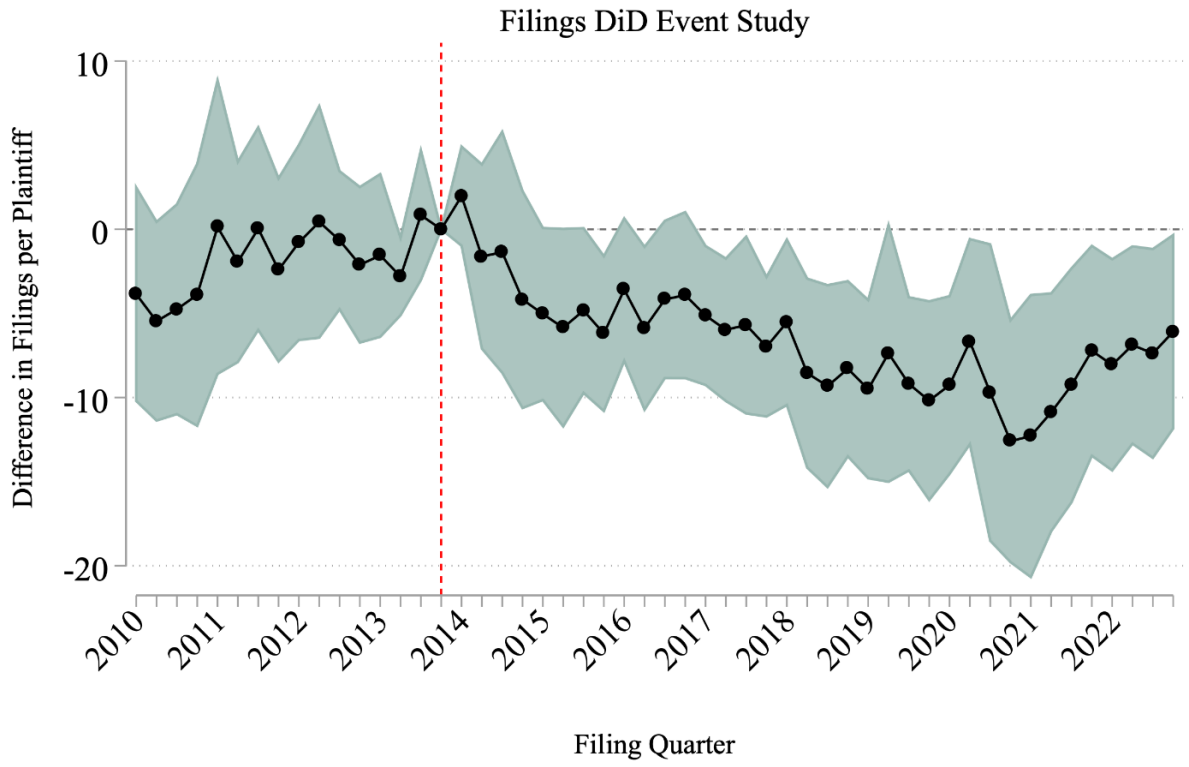
Notes: Standard Deviations in parenthesis. Nineteen percent of filings during the period were by plaintiffs who initiated fewer than 20 cases per year and so were not categorized as original creditors or third-parties and excluded from the analysis.
**Indicates that the difference between Original Creditor and Third Party is statistically significant at 95% confidence level.*

Third-Party Plaintiffs Decrease Filings Relative to Original Creditor Plaintiffs

To study changes in the number of filings, we aggregate filings by creditor in each courthouse in each quarter. We find that third-party plaintiffs decreased their filings relative to original creditor plaintiffs by approximately 10 filings per quarter, on average, after the new court rules went into effect in 2014. Figure 2 shows an event study analysis depicting the average difference in filings between third-party and original creditor plaintiffs by quarter relative to the quarter just before the superior court rule went into effect (last quarter of 2013). The y-axis shows the difference between the number of filings of third-party creditors and original creditors. The x-axis shows quarters, over time, with the vertical dashed line placed at the time when the event occurred. In this study, this was the 2014 change in the court rule requiring documentation by debt collectors and debt buyers, but not original creditors. By observing the difference in the number of filings, we can observe the causal effect of the rule change on the behavior of the affected plaintiffs in comparison to original creditors. From 2011 to early 2014, and immediately prior to the rule change, there was very little difference

in the number of filings between these creditor types, and after the rule change, we observe a drop in filings by third-party creditors as compared to original creditors.

Figure 2 - Event Study for Filings



Note: each estimate represents the difference in the number of filings per plaintiff between third-party creditors and original creditors in a given quarter compared to the same difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

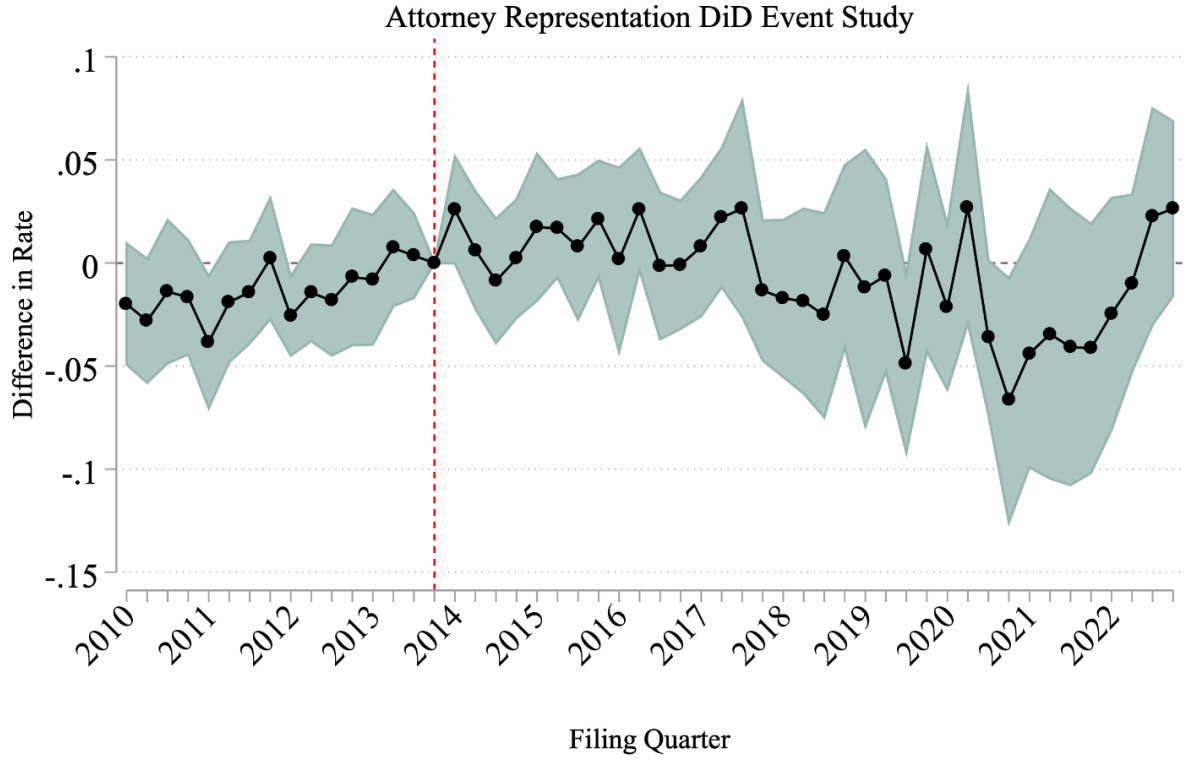
There is no evidence of a pre-existing trend in this difference before 2014, which allows us to interpret the result as a causal effect of the new superior court rule. A pre-existing trend, prior to the date of the rule change, would show that the behavior of third-party debt collectors was trending in a particular direction prior to the event studied. Shortly after the new rule went into effect, third-party plaintiffs started filing cases at a relatively slower pace than original creditors. This relative decline in third-party filings continued for several years, reaching its largest magnitude by the end of 2020.

No Effect on Attorney Representation Rates for Defendants

We generate a dummy variable for attorney representation equal one if an attorney represented the defendant, zero otherwise. Attorneys always represented plaintiffs. Unfortunately, we can only track defendant representation when an attorney entered an appearance in the case—our data cannot speak to "lawyer for the day" program or other forms of legal help, such as visits to a self-help center. We find no evidence that the low attorney representation rate in debt collection suits in Connecticut was affected by the new superior court rules, as shown in Figure 3.

The y-axis shows the difference in the rate of attorney representation rate between original creditor and third-party creditor cases relative to each other just before the new rules went into effect. The graph shows that the 2014 rules had no statistically significant effect on the difference in attorney representation in cases involving first- and third-party creditors. The graph also shows that there was no strong evidence of a trend in the difference in attorney representation prior to 2014. This lack of evidence of an effect of the rule change on attorney representation is contrary to our findings in California, where we found that "the difference in in the rate of representation between third and first-party creditors fell by 15 percentage points."[28]

Figure 3 - Event Study for Attorney Representation

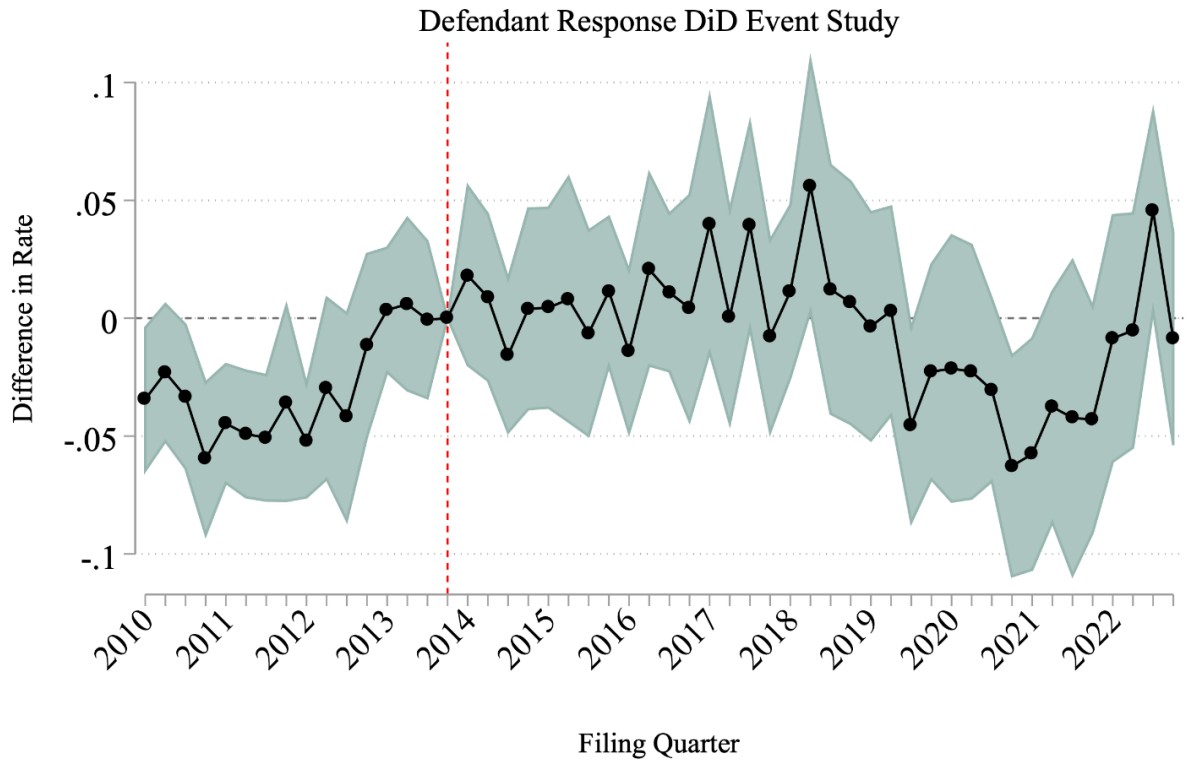


Note: each estimate represents the difference in the proportion of cases in which the defendant was represented by an attorney between filings by third-party creditors and original creditors in a given quarter compared to the same difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

No Effect on Defendant Response Rate

We generate a dummy variable for defendant response which takes a value of 1 if the defendant filed an answer with the court, zero otherwise. We find limited evidence of an effect of the rules on defendant response rates for third-party creditors, relative to first-party creditors. Figure 4 shows the relative rate of defendant participation in lawsuits in Connecticut between these two types of cases. On the y-axis is the difference in the answer rate of defendants in third-party and original creditor cases. On the x-axis is time, in quarters, and at the dashed line is the event observed, which in this case is the rule change in 2014.

Figure 4 - Event Study for Defendant Response



Note: each estimate represents the difference in the proportion of cases in which the defendant responded to the lawsuit between filings by third-party creditors and original creditors in a given quarter compared to the same difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

Figure 4 is evidence of an increase in the difference in defendant responses between first and third-party creditors. Third-party response rates were rising relative to first-party response rates. This increase prior to 2014 violates the parallel trend assumption, which requires that the difference between the control and treatment groups are the same prior to treatment (to plausibly infer causal effects of the rule change). Here, we observe a pre-treatment trend leading up to the rule change in 2014 that shows defendant response rates in third-party cases increasing, and the rate of response becoming closer to the same rates as defendants in original creditors cases.

After the implementation of the rule, there is no evidence of a change in this trend, as the difference in filing rates remains similar in 2014, the year of the rule change, and in the years immediately following. We cannot rule out that the effect of the law took place before 2014, in anticipation of it. This could be especially true in that a similar rule was enacted in Connecticut in 2011 which only affected small claims cases (see Appendix A). Plaintiffs generally file cases in both courts, so it is possible that they improved their documentation because of the 2011 change and filed improved documents earlier as well. If so, then responses in cases with third-party creditors might have risen relative to those with first-party creditors because of the earlier rule.

On the other hand, the standard interpretation is that no inferences can be drawn when, as here, the parallel trend assumption is not satisfied. Our working assumption is that the effects of the rules would take time to appear, rather than appear before their implementation.

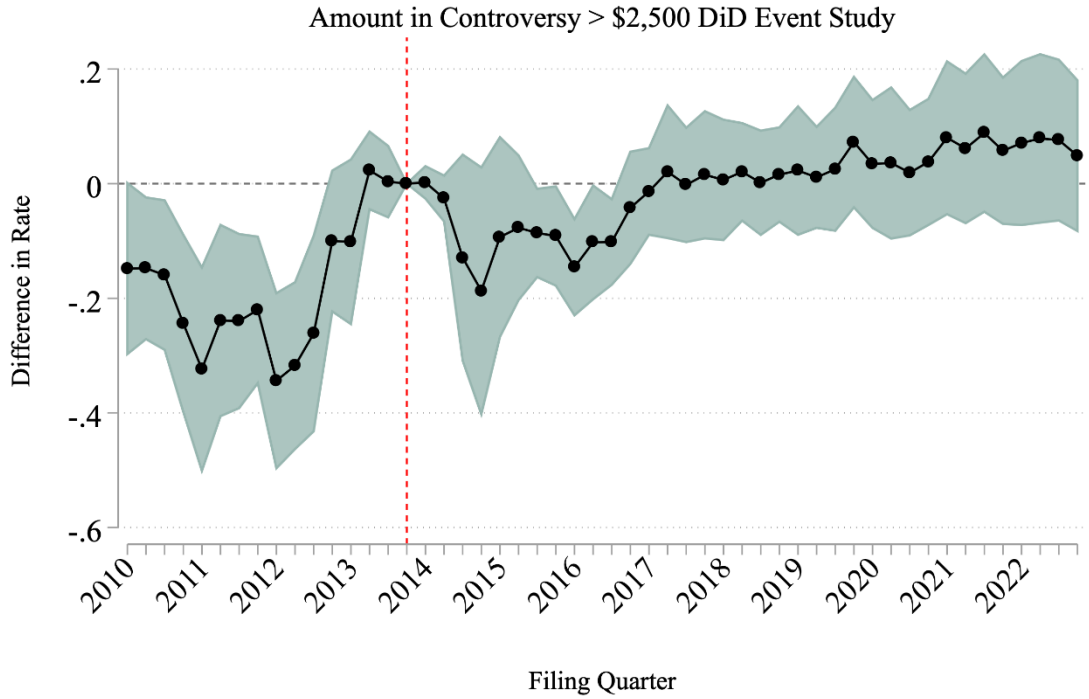
Beginning in 2019 and into 2020, there is some evidence of a change in this difference as defendants in third-party cases respond at a rate higher than in original creditor cases, but as this difference is five years after the passage of the law, we do not attribute this change in response rate to the rule change in 2014.

No Effect on Value of Cases Brought by Third-Party v. Original Creditors

We find no effect of the 2014 rule on case value. The analysis of case value is conducted in a categorical way. Based on the filing fee paid by the creditor, we infer whether the amount in controversy was less than $2,500 or $2,500 or greater.[29] We use these bins rather than the exact case value due to data availability from the court's case management system, which does not record the amount pled in a complaint (or the amount awarded at judgment). The system, however, does record the fee amounts and these vary by amounts sought at filing.

Figure 5 displays the results for amount in controversy of $2,500 or greater. Prior to 2014, there is strong evidence that the difference in the proportion higher value cases between first- and third-party creditors was changing. This violates the parallel trend assumption discussed previously because there was a difference in rate prior to the event we observed. This means we cannot assume that the difference between the treatment and control groups would have been zero without the 2014 new rules. After 2013, we see a stabilization of case values between the two groups observed, with the gap in case values decreasing in the later years of the study. Despite some changes immediately after the passage of the law, Figure 5 shows no systematic evidence of a change in the difference in case values between first- and third-party creditors that we can attribute to the rule change.

Figure 5 - Event Study for Case Value above $2,500

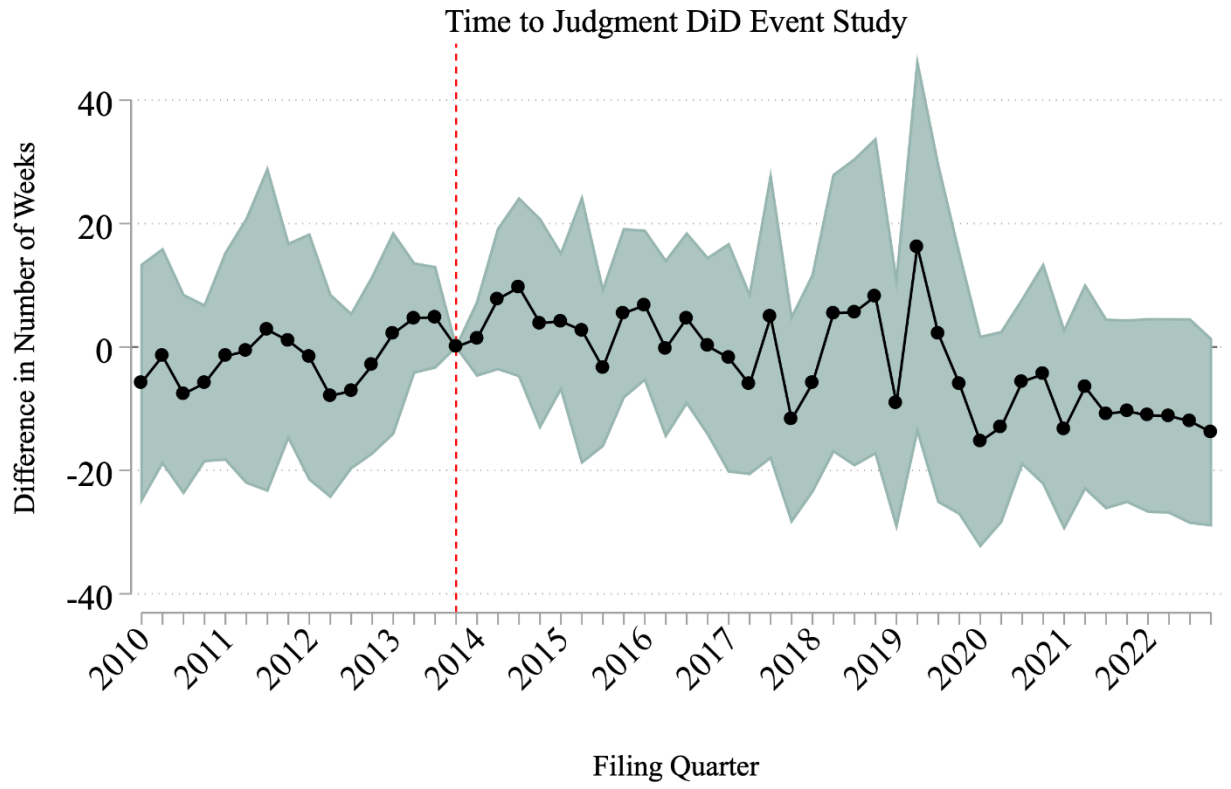


Note: each estimate represents the difference in the proportion of cases in which a writ of execution was filed between filings by third-party creditors and original creditors in a given quarter compared to the same difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

No Effect on How Long it Takes for Cases to Get to Judgment

We find no evidence of an effect of the 2014 rules on how long it takes for a case to end in a to judgment, as measured by the number of weeks between the day of the debt collection filing and the day a judgment was issued. Figure 6 depicts the average difference in time to judgment between cases filed by third-party plaintiffs and cases filed by original creditors. The y-axis shows the difference in time to judgment, in weeks starting from the date of filing, between judgments awarded to original creditor plaintiffs and third-party creditor plaintiffs. There was no trend in this difference before 2014. After 2014 there was no statistically significant change in the time it took third-party plaintiffs to be awarded a judgment relative to original creditors.

Figure 6 - Event Study for Time to Judgment

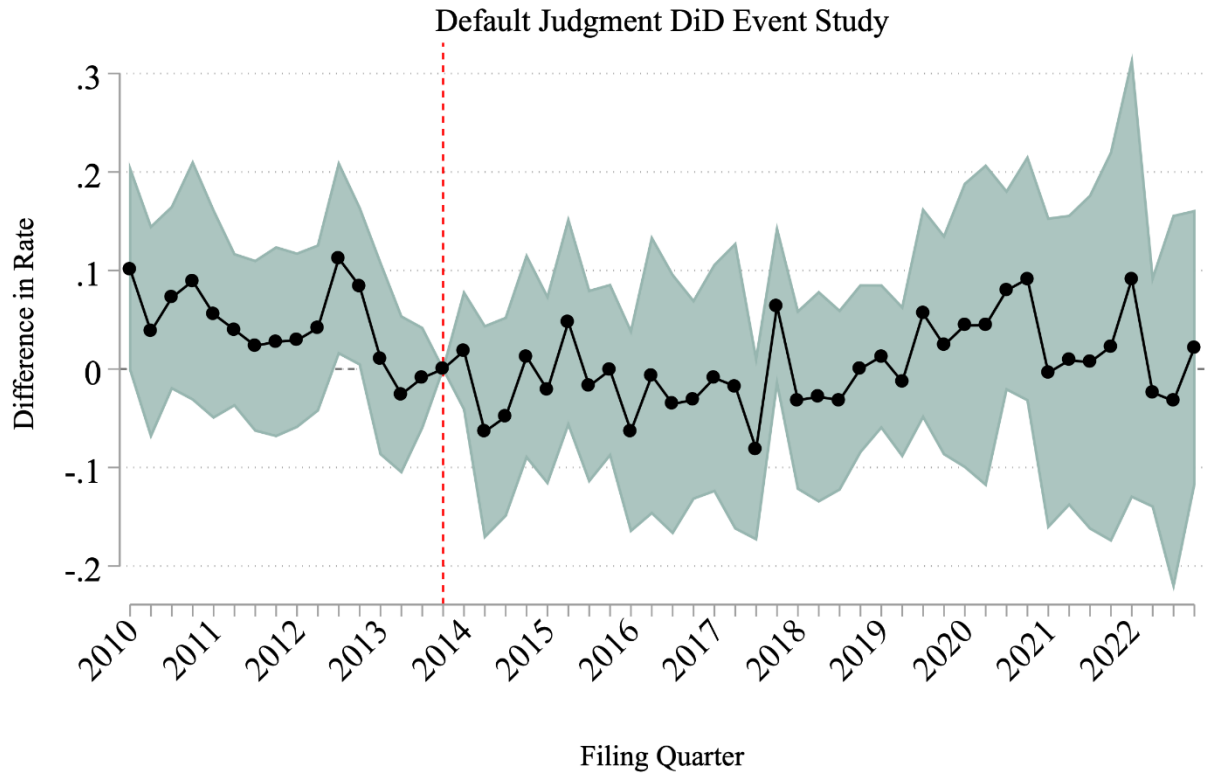


Note: each estimate represents the difference in the number of weeks it took to get a judgment between filings by third-party creditors and original creditors in a given quarter compared to the same difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

No Effect on Default Judgment Rates

We find no effect of the 2014 rules on default judgment rates. Figure 7 shows the difference in the rate of entry of default judgment for third-party debt collector and debt buyer plaintiffs compared to original creditors. There is no strong evidence of a pre-existing trend in the difference between default judgments for first and third-party creditors, which means this observation does not violate the parallel trends assumption. Figure 7 shows that the 2014 rules had no statistically significant effect on this difference, as cases filed by third-party plaintiffs resolved through a default judgment in favor of the plaintiff at similar rates than cases filed by original creditors before 2014. We do not observe a causal effect on this rate from the 2014 rule change, as the rates remain very similar (within 0.1 difference between the two types of creditors and within the range of standard errors) after the rule change. Rates of entry of default judgment for third-party creditor cases, as compared to original creditor claims, did not significantly change after the new rules went into effect in January 2014.

Figure 7 - Event Study for Default Judgment



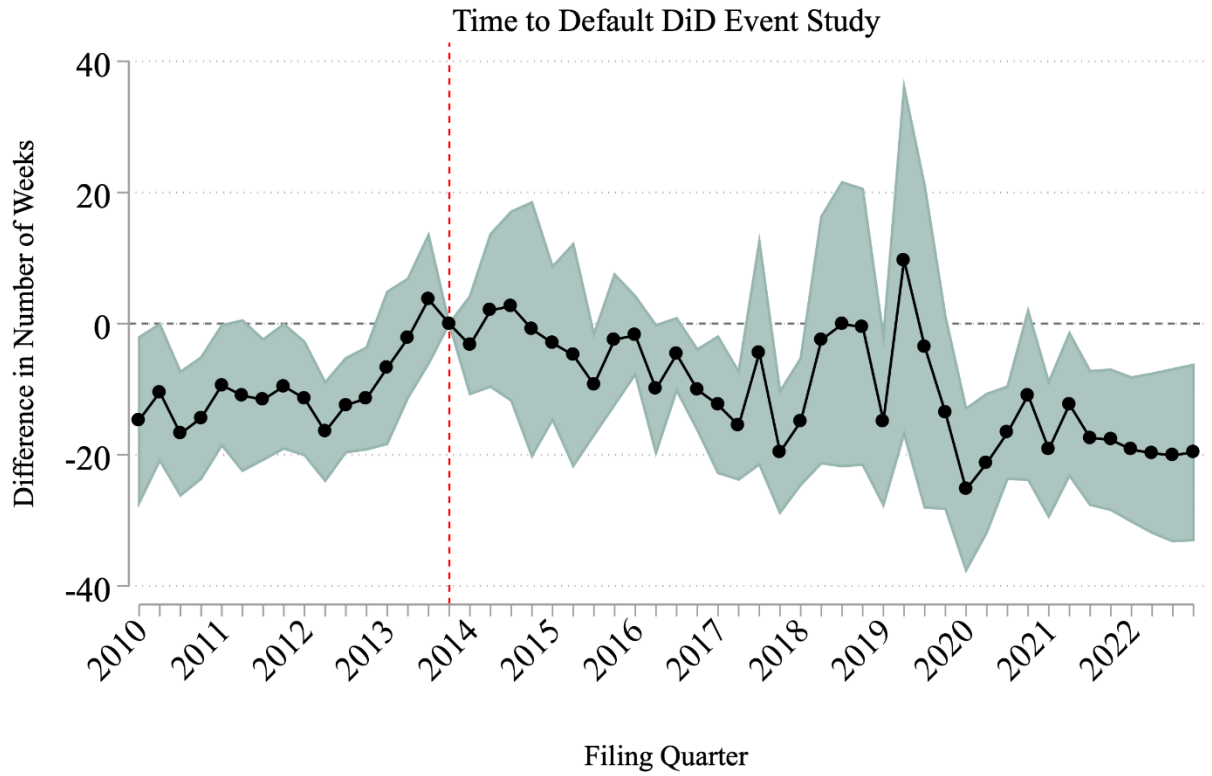
Note: each estimate represents the difference in the proportion of cases in which a default judgment was obtained between filings by third-party creditors and original creditors in a given quarter compared to the same

difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

Some Evidence of a Decline in Time to a Default Judgment

We find little evidence of a decline in time to a default judgment for third-party creditors relative to first-party creditors. We measure time to default as the number of weeks between the day of the debt collection filing and the day a default judgment was issued. Policy evaluation is particularly challenging in this instance given outcomes prior to the law change. Prior to 2014 there is evidence of a positive trend in the difference in time to default judgment between first and third-party creditors, as shown in Figure 8. This violation of the parallel trends assumption implies that we should be cautious in drawing causal inferences from Figure 8.

Figure 8 - Event Study for Time to Default

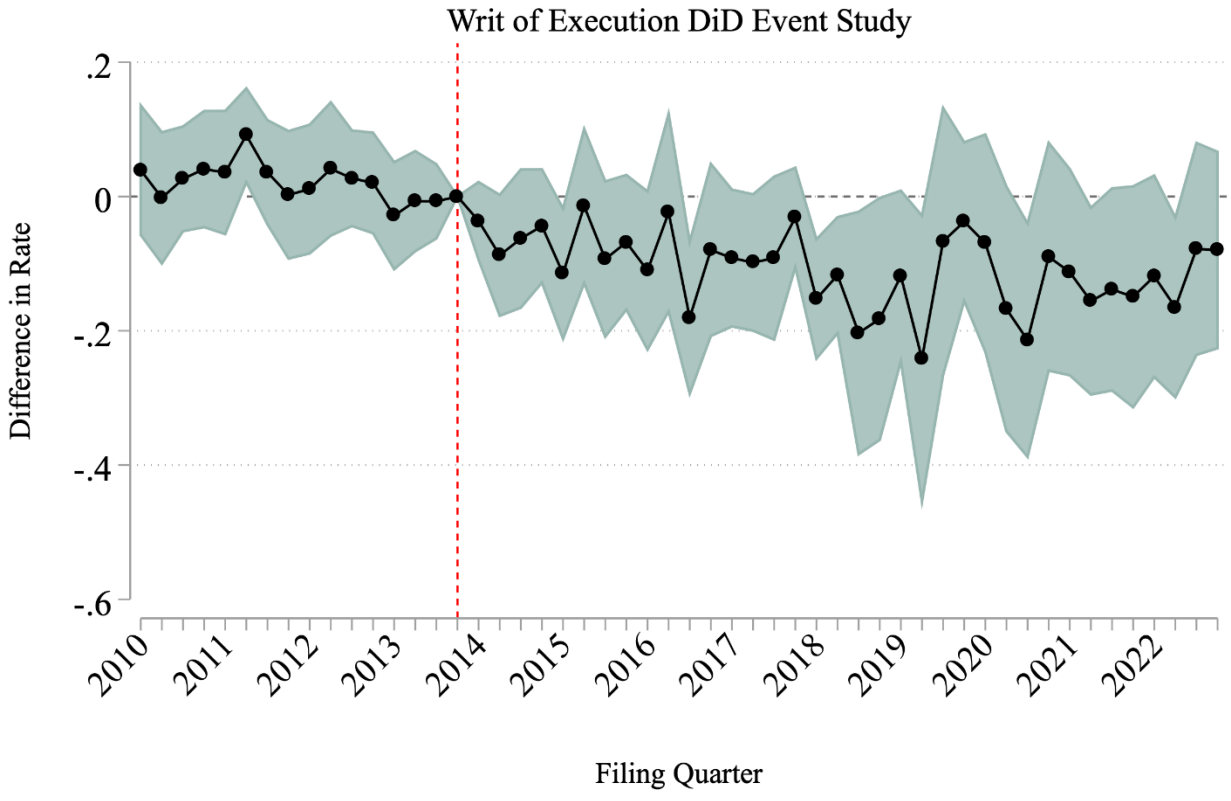


Note: each estimate represents the difference in the number of weeks it took to get a default judgment between filings by third-party creditors and original creditors in a given quarter compared to the same difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

Third-Party Plaintiffs File Fewer Writs of Execution Relative to First-Party Plaintiffs

We find some evidence that the 2014 law decreased writs of execution for third-party creditors, relative to first-party creditors. Writ of execution is a dummy variable equal to one if a writ of execution was filed, zero otherwise. This is a court order to a third-party (employer or financial institution) to pay the plaintiff judgment creditor from defendant's assets. Figure 9 shows the difference between original creditors and third-party debt collectors and debt buyers in the rate at which these plaintiffs file a writ of execution in cases in which judgment is entered. We find no evidence of a trend in the difference in the prevalence of writs of execution for first and third-party creditors prior to 2014, as the difference in rate of filing is close to zero. However, after the new law went into effect in 2014, third-party plaintiffs started to file writs of execution at relatively lower rates than original creditors. This relative decline continued until 2021, at which point the difference in execution rates between first and third-party creditors was 20 percentage points lower than it was when the law was passed.

Figure 9 - Event Study for Writ of Execution Filing



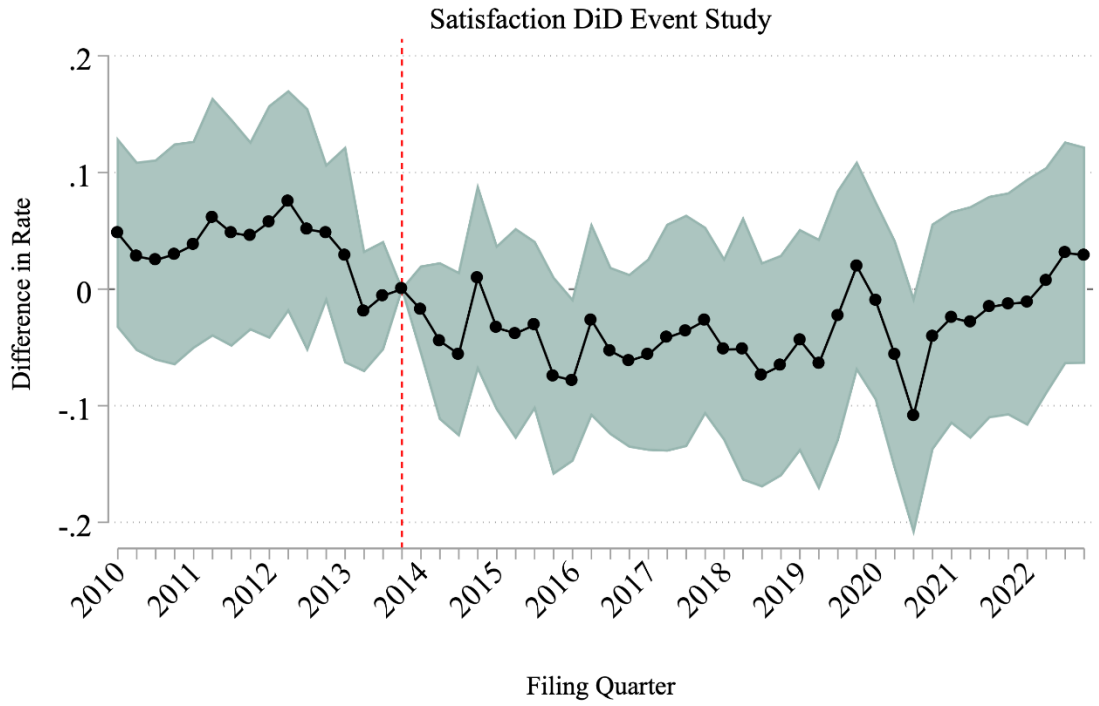
Note: each estimate represents the difference in the proportion of cases in which a writ of execution was filed between filings by third-party creditors and original creditors in a given quarter compared to the same difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

No Effect on Satisfaction of Judgment

We find no effect of the 2014 law on the rate at which third-party plaintiffs obtain satisfactions of judgment, relative to first-party creditors. We measure satisfaction of judgment by whether we observe a filing of satisfaction by the plaintiff in the court docket, as Connecticut law requires a party recovering a judgment in a civil court to file a notice with the court clerk when the judgment is satisfied.[30]

As shown in Figure 10, the difference in satisfaction rates between first- and third-party plaintiffs was not affected by the 2014 rules. There is weak evidence of a pre-existing trend in the difference in satisfaction rates prior to 2014.

Figure 10 – Event Study for Rates of Satisfaction of Judgment



Note: each estimate represents the difference in the proportion of cases in which the judgment was satisfied between filings by third-party creditors and original creditors in a given quarter compared to the same difference in the quarter just before the superior court rule went into effect (Q4 2013). Shaded area represents 95% confidence intervals.

REVIEW OF DOCUMENTATION COMPLIANCE IN SMALL CLAIMS COURT

The previous section examined the superior court changes in 2014 and 2016. These changes were preceded by a change in the Connecticut small claims court rules in 2011. We did not study the causal effects of the 2011 rule changes on small claims court due to data limitations. However, in this section, we report findings from a random sample of recent cases in Connecticut small claims and our evaluation of whether these complied with the 2011 and 2016 rule and statute.

Methodology

To analyze compliance with the law, we selected a random sample of 100 Small Claims cases filed by debt buyers in Connecticut between January 1, 2021, and December 31, 2022.[31] We classified third-party plaintiffs in the same way as previously discussed which enabled us to draw the sample from cases filed by third-party plaintiffs only. Of case numbers randomly selected, 10 cases were no longer available in the docket records to retrieve the complaints and applications for default judgment, and 2 had been filed before 2016 and had been reopened during 2021. We retrieved full sets of documents for the 88 other cases, representing 0.3% of the 27,172 small claim cases filed (or reopened) by third-party plaintiffs during that two-year period.

For this part of our analysis, we chose to review small claims court cases because it has more documentation requirements than superior court, as shown in Appendix A. Small claims court is also the court with the largest number of filings. While the 2016 Connecticut statute prohibits plaintiffs from filing to collect a debt that is past the statute of limitations, only plaintiffs initiating a small claims lawsuit must affirmatively attest they are following that rule in two different places: once in the Small Claims Writ, and a second time in the Affidavit of Debt required before a judgment can be entered in small claims.[32] While data limitations prevented us from studying the effect of the small claim changes, we wanted to investigate whether small claim plaintiffs were complying with those changes. One researcher (Jiménez) coded all 88 cases individually and a second researcher (Johnson Raba) spot checked 10 of the cases.

Review of Case Documents Shows Minimal Compliance and

The list of documentation requirements in small claims is complex, as detailed in Appendix A. In this review, we focus on plaintiffs' compliance with only a few of the relevant documentation requirements. Specifically, we looked at the requirement to attach a contract, make certain statements in the affidavit, and two different required statements regarding the statute of limitations. We report on our findings and then provide information about the cases that can only be gleaned from this level of examination. Overall, **we could not identify a single case in our sample in which a debt buyer completely followed the documentation rules examined.**

We also found that:

(1) only one plaintiff attached a copy of the contract as required under the 2011 rule,
(2) no plaintiff filed an affidavit that complied with the 2011 rule requiring a statement about the statute of limitations in the affidavit,
(3) in 7 cases plaintiffs failed to include a statement in the writ/complaint, as also required by the rule, and
(4) plaintiffs in 65 cases (74%) filed affidavits that failed to comply with the 2016 statute because they did not list the previous purchasers, dates of the debt sales, and their debt buyers' addresses.

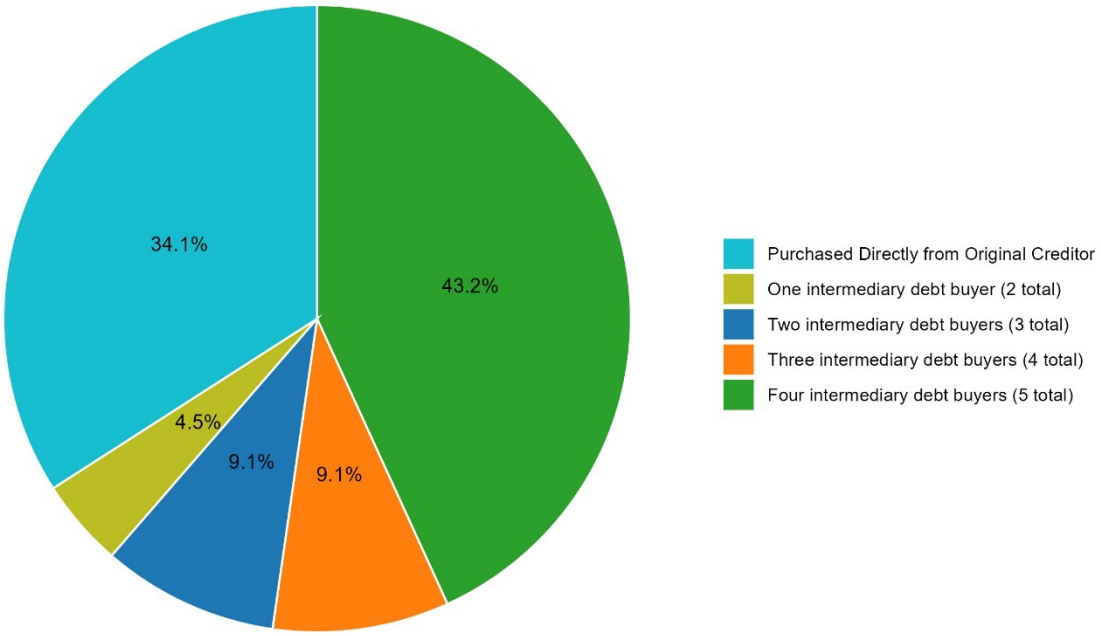
The majority of our 88 cases involved four or more debt buyers, most often involved a Credit One Bank credit card, and requested between 13-49% more than the credit limit on the credit card (all but one case involved a credit card). Defendants were only represented in 2 out of 88 cases. A default judgment was recorded by the court in most cases (66) even though none of these cases fully complied with documentation rule and statute.

About the Cases: Several Intermediate Debt Purchasers, Complex Transactions

We begin with a few details about the cases in our sample and their outcomes. As shown in Figure 11, in 30 cases (34.1%), the plaintiff purchased the debt directly from the original creditor. The remaining cases were ones in which the plaintiff was a subsequent purchaser. In 38 of the remaining transactions (42%), there were five or more debt buyers involved after the original creditor.

Figure 11 - Share of Debt Buyer Cases and How Many Times They Were Purchased

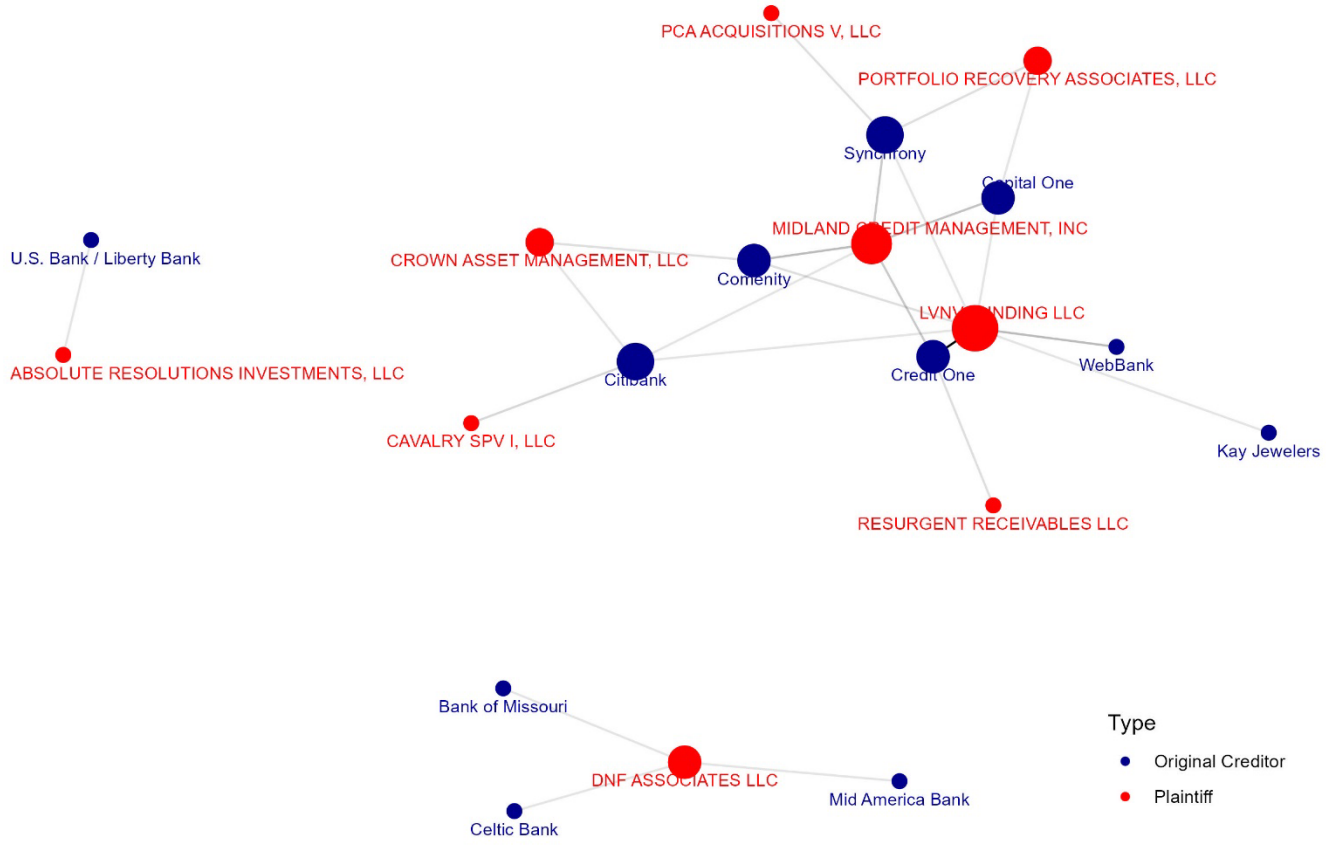
Proportion of Cases: Direct Purchase vs. Number of Intermediary Buyers



N = 88
Source: Random selection of Connecticut small claims cases filed between 2021-22

As one might expect, debt buyers tend to buy from a similar set of original creditors and vice versa. Figure 12 depicts the relationship between the original creditors in our 88 cases and the plaintiff that ultimately purchased the debt and sued. We include another Bill of Sale in Appendix C.

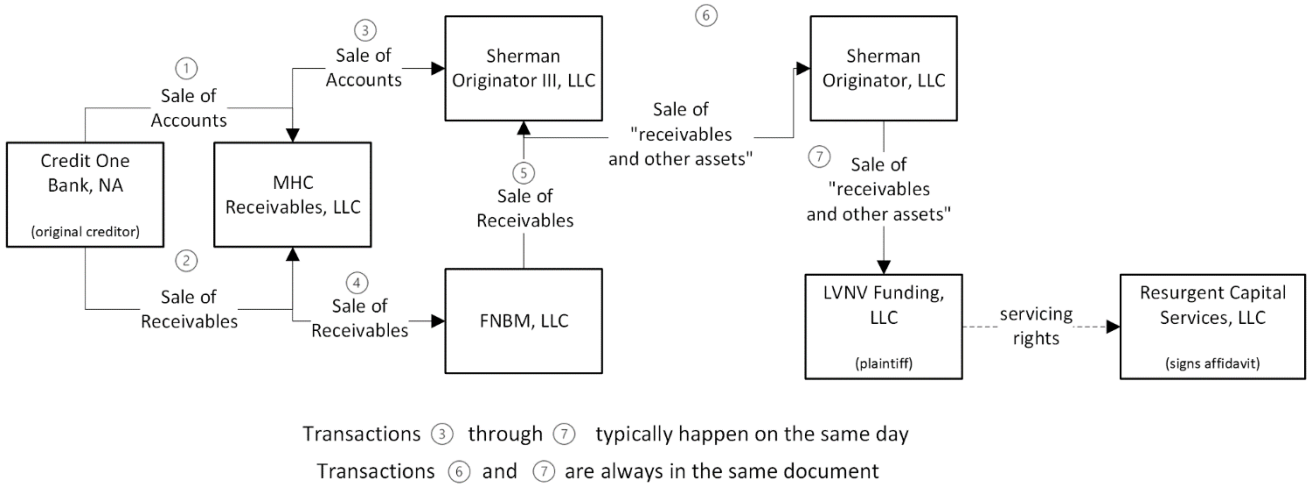
Figure 12 - Network map of the relationship between original creditors and third-party debt buyer plaintiffs



All but one case in our sample began as a credit card (the lone outlier was a consolidation loan), as can be seen above. Almost half the cases (41 of 88) began as a Credit One Bank credit card. The second most frequent original creditor was Comenity (11), followed by Synchrony (10), and Capital One (8). The average claimed amount for Credit One lawsuits was $1,399.

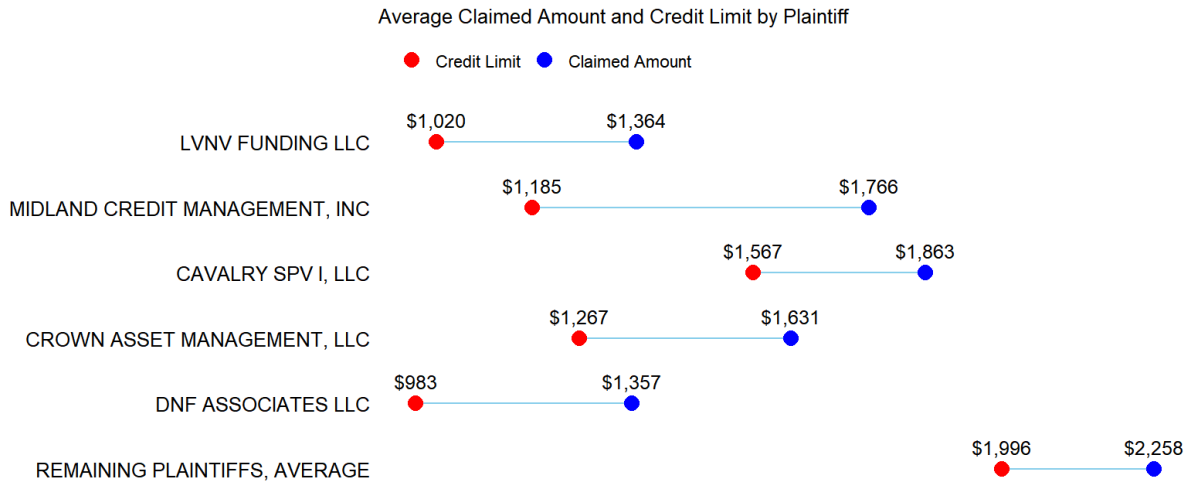
While we observed variation in the creditor that filed the lawsuit, the Credit One Bank sales had a very typical transaction pattern as evidenced by the attached bills of sale on the case records. Figure 13 is a graphical representation of a typical debt sale in one of these transactions. Each circled number and solid connecting line refer to a specific bill of sale in one case. For example, there are two different bills of sale with the same date purporting to sell a set of “accounts” as well as a set of “receivables” on the same day to MHC Receivables, LLC (circles 1 and 2 in Figure 13). We include a set of these 7 Bills of Sale in Appendix B. These transactions are the primary reason why there are so many lawsuits with more than 5 debt buyers.

Figure 13 - Typical Transaction Structure



In Figure 14, we evaluate the difference between the amount requested by the creditor plaintiff in the lawsuit, shown with a red dot, and the amount of the credit limit reflected in the final billing statement attached as a document to the complaint, shown with a blue dot. We find that in the cases observed, among five of the leading third-party debt collectors, the average difference between the amount requested in the complaint and the credit limit was between 18% (Cavalry SPV I, LLC) and 49% (Midland Credit Management, Inc.) of the original credit extended to the consumer. Of the remaining plaintiffs in the set of cases we observed, the amount claimed in the complaint exceeded the amount that the consumer borrowed from the original creditor by 13%.

Figure 14 - Dollar Amounts Sought versus Original Credit Limit



These cases show that third-party debt collectors seek to recover additional costs and interest above and beyond the amount that the consumer borrowed from the original creditor and demonstrate just how costly a default judgment is for the consumer.

Every Case Except One Failed to Attach Contract

Since January 1, 2011, the rule in Connecticut Small Claims has been that "In order for the judicial authority to render any judgment" whereby the plaintiff is not producing witnesses, and if they are suing on "if the instrument on which the contract is based is a … assigned contract, … a copy of the executed instrument shall be attached to the affidavit."[33] When the court implemented similar rules in the superior court, they added the words "or contract" such that the language applicable there reads "a copy of the executed instrument *or contract* shall be attached to the affidavit."[34] The language could be clearer,[35] but no matter how one interprets it, only one out of 88 cases submitted any kind of contract to the court.

*Despite a requirement to attach a copy of the defendant's contract to the affidavit, just one **single plaintiff** in our sample did so (1.1%).*

This was the only non-credit card case in the sample.

We think a fair reading is that the rule requires assignees/purchasers of debts to attach "a copy of the executed instrument" that gives them the right to bring a lawsuit against the defendant. We do not think plaintiffs can satisfy this provision by attaching a one-page "bill of sale"—a document that serves as a receipt that accounts were assigned/sold (examples in Appendix B and C). Bills of Sale are often only signed by the seller (as show in the examples in Appendix B), and they are specifically referenced in the next sentences of the same section that requires "a copy of the executed instrument" requiring the plaintiff to "attach all bills of sale."[36] Thus, we interpret this provision as requiring a contract be attached to the affidavit in cases in which a debt has been assigned or sold.

The cases we examined were all brought by debt buyers—entities that were assigned the defendant's contract for collection. As the example Bill of Sale at Appendix C describes that transaction: "Comenity Bank ('Seller') ... hereby *assigns* ... all rights, title and interest of Seller in and to those certain receivables, judgments or evidences of debts described in Schedule 1 ...". Out of our 88 cases, only one attached a contract. This was also the single case in our sample that did not start off as a credit card debt—a consolidation loan from WebBank.

About 25% of Cases with Affidavit Disclosure Requirements

Before obtaining a judgment, a Connecticut Small Claims plaintiff must submit an affidavit (1) "signed by the plaintiff or representative who is not the plaintiff's attorney."[37] The affidavit itself must:

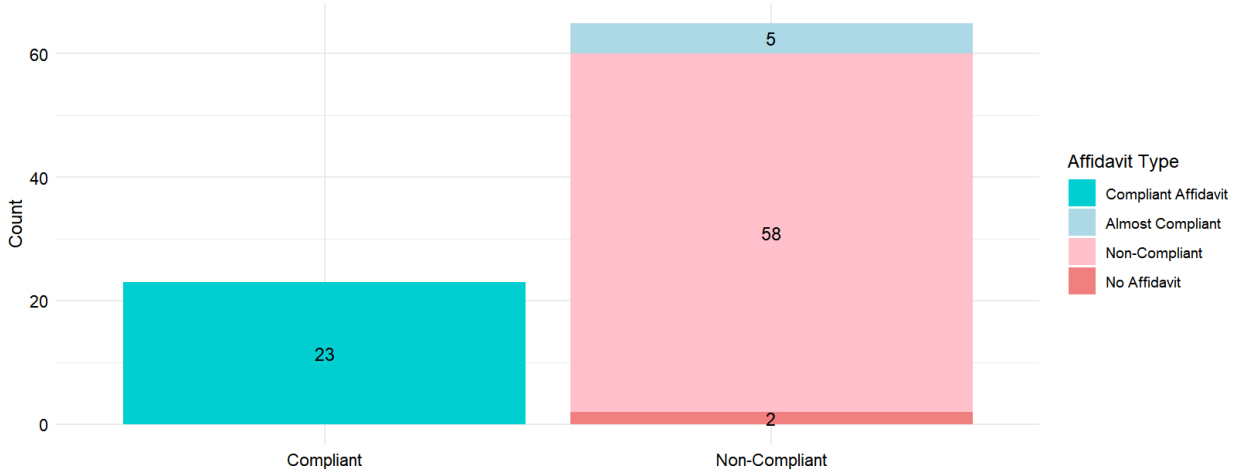
(2) "swear to the purchase of the debt" from its seller,[38]
(3) "state that the instrument or contract is now owned by the plaintiff", [39]

(4) "state the amount due or the principal owed and contain an itemization of interest, attorney's fees and other lawful charges claimed",[40]

If seeking a default judgment, the affidavit must also include (5) "the name, address and dates of ownership of each assignor"[41] However, for other kinds of judgments (e.g., stipulated judgments, judgments after a trial), this information only need be "stated" and does not need to appear in the affidavit.[42] Requirements 1-4 have been in effect since 2011 by court rule. Requirement 5 was added by the Connecticut Legislature in 2016.

Out of the 88 cases where documents were available, 23 complied with all of five requirements. However, the majority (65), did not, as shown in Figure 15. Two of the non-compliant cases failed to attach an affidavit of debt altogether. These two cases without an affidavit were nevertheless granted a default judgment for the plaintiff despite the fact that in one of them *neither* the plaintiff nor the defendant showed up to a scheduled hearing.[43] The plaintiff had clearly not met their burden since they failed to submit an affidavit and yet the magistrate entered judgment for the full amount plus costs: $1,131.55, interest at 3% per year, and an order of $140 monthly payments to the be paid to plaintiff's lawyer.[44]

Figure 15 – Affidavits and their Sufficiency — Graphing Compliance with the Requirement that "the name, address, and dates of ownership of each assignor" be included in the affidavit (Con. Gen. Stats. § 36a-813).



Aside from the two cases without any affidavit at all, the affidavits in the remaining 63 cases could be characterized as meeting requirements 1-4 above: being signed by someone who stated they were the plaintiff's representative, swearing that the plaintiff owned the debt and stating the principal owed (none sought prejudgment interest or attorney's fees).[45] But, as the different bands in the second bar of Figure 15 shows, we found a great deal of variation regarding (5), the requirement that "the name, address, and dates of ownership of each assignor" be listed on the affidavit. Fifty-eight cases did not meet these requirements—most because they were missing the address or dates of ownership.

The “almost” compliant group refers to five different Credit One Bank credit cards where the plaintiff (Midland Credit Management, Inc., in every case) submitted an affidavit that had the name, address, and dates of all but one the debt buyers / sales transactions that was listed in the Bills of Sale it attached. In every case, they did not list the sale of receivables to FNBM, LLC, what we represented as transaction (5) in Figure 13, above. Note that without that sale, the subsequent purchaser, Sherman Originator III, LLC, does not actually own the debt.

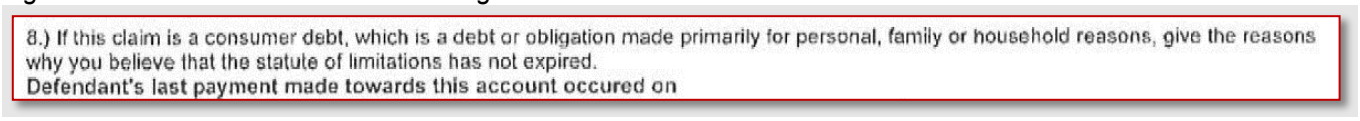
Ultimately, we found that only about a quarter of cases (23) followed the requirements set by the rules and statute with regards to the affidavit language.

No Affidavit Complied with Required Statement about Statute of Limitations

Section 36a-814 of the Connecticut General Statutes prohibits creditors or consumer collection agencies (e.g., debt buyers or anyone seeking to collect a consumer debt) when they “know or reasonably should know that the applicable statute of limitations on such cause of action has expired.”[46] It also makes clear that when the limitations statute has expired, it cannot be revived. The small claims rules (but not the superior court rules) require plaintiffs to make statements regarding the statute of limitations in two places. First, when initiating a small claims lawsuit for a consumer debt. The plaintiff must state in the required “Small Claims Writ and Notice of Suit” form itself (or in the optional attached complaint) “why [they] believe the statute of limitations has not expired.”[47] Second, the affidavit of debt required before the court can enter a judgment “shall simply state the basis upon which the plaintiff claims the statute of limitations has not expired.”[48]

Implementing the requirement of the rules, JD-CV-40, the “Small Claims Writ and Notice of Suit” form that is required to initiate a small claims lawsuit contains a question about the statute of limitations. This form is signed by the plaintiff’s attorney. In our sample, 94% of cases had answered something appropriate in question 8 of the Small Claims Writ form. However, in 7 cases there was no mention of the statute of limitations anywhere in the documents. All 7 cases had something written in response to question 8 on the Small Claims Writ form, but they either referred to a complaint that did not have any mention of the statute of limitations or failed to answer the question, as the example in Figure 16 below.

Figure 16 – Screenshot of a case missing information in the Small Claims Writ form [49]


8.) If this claim is a consumer debt, which is a debt or obligation made primarily for personal, family or household reasons, give the reasons why you believe that the statute of limitations has not expired.
Defendant's last payment made towards this account occured on

The second requirement regarding the statute of limitations must be averred as truthful by the plaintiff or their representative, rather than their attorney. The affidavit of debt required before any judgment can be entered must "simply state the basis upon which the plaintiff claims the statute of limitations has not expired."[50] While we found affidavits in all but two cases, as described earlier, we could not find a single affidavit that met the requirement to include a statement about why the statute of limitations had not expired.

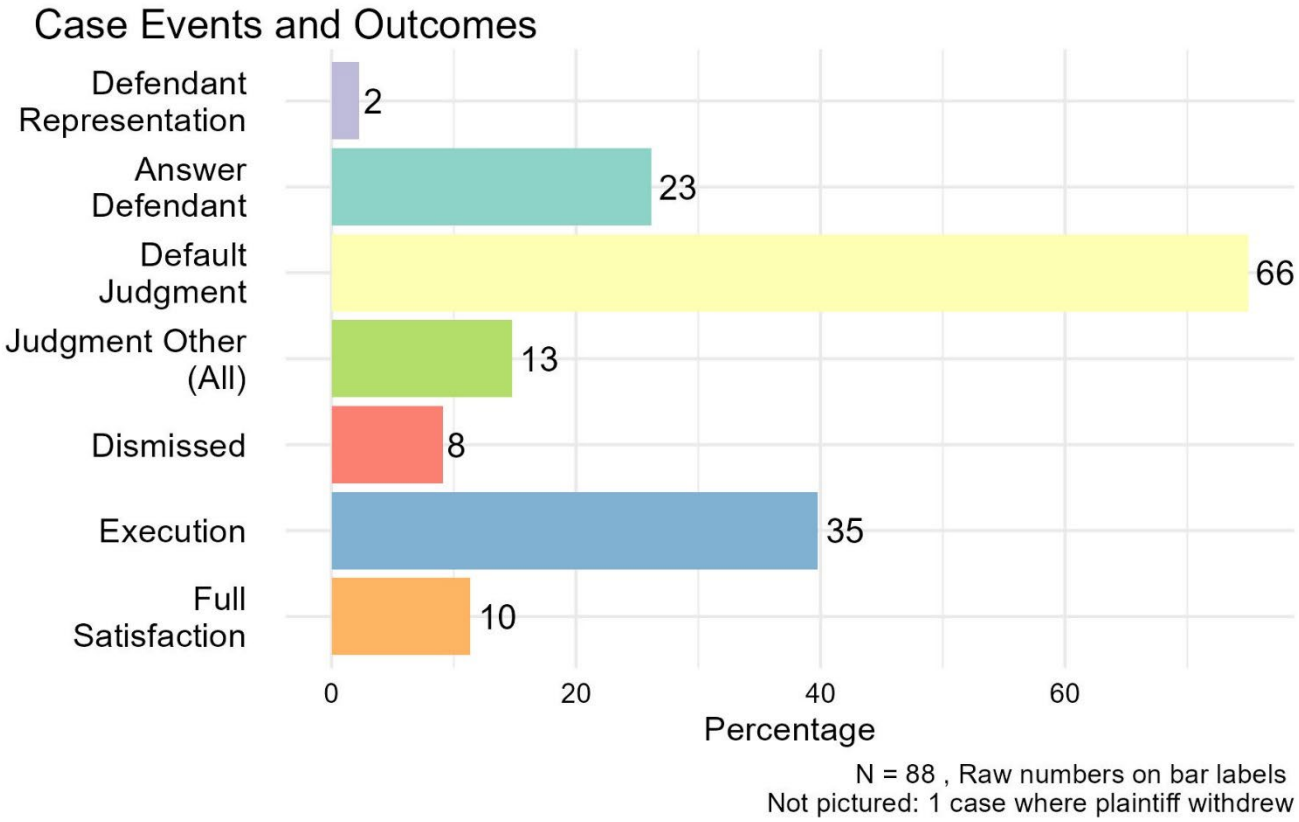
We could not find a single affidavit that met the requirement to include a statement about why the statute of limitations had not expired.

Plaintiffs varied in how well they complied with these requirements. The top filer, LVNV Funding, LLC (47 cases) always had a statement regarding the statute of limitations in the writ. Midland Credit Management, Inc., the second most prolific filer (24 cases), complied with the writ requirement in 87.5% of cases. The next three top plaintiffs filed 3 cases each. Crown Asset Management, LCC failed to comply with the writ requirement in all 3 cases. And of as stated previously, every single plaintiff failed to comply with the requirement to include such a statement in the affidavit.

Consequences of Non-Compliance

Figure 17 displays case events recorded in the court's database for each case. In all these cases, plaintiffs purported to serve the defendant, although in going through the documents we observed several instances of returned mail entered in the docket.[51] Defendants were represented in 2 out of 88 cases, although they responded to the lawsuit in over 23 of them (26%), an answer rate that is more than twice as high as defendants in California.[52] Sixty-six (75%) of the cases ended in a default judgment, 13 in other types of dispositions (primarily stipulation), 8 were dismissed, and the plaintiff withdrew the last case. In 35 cases, plaintiffs sought a writ of execution, and by May 2024, 10 of those plaintiffs had the debt entirely satisfied (fully paid). Writs of execution are satisfied by bank levy, wage garnishment, and by defendants voluntarily settling a debt. We do not distinguish between these types of payment in the study.

Figure 17 - Case Events Coded from Court Database Records



None of the 66 cases in which a default judgment was entered fully complied with the rule and statutory requirements. As mentioned, one was even missing an affidavit altogether. The 8 cases labeled as dismissed in Figure 17 include one case withdrawn by the plaintiff; the rest were all dismissed by the judge magistrates. Most (4 of 7) were dismissed without a specified reason, but 1 was dismissed for failure to file an updated affidavit of debt after the court had issued an order requiring such (but not explaining what was wrong with the affidavit on file), 1 was dismissed for filing an affidavit of debt that was "more than six (6) months old at the time of judgment"[53] and for an filing a military affidavit that was older than 45 days at the time of judgment, 1 other was also dismissed for a "stale" military affidavit.[54]

In the single case in which the court dismissed for failure to file a sufficiently compliant affidavit of debt, the court had also issued an order requiring an updated military affidavit.[55] The plaintiff filed an updated military affidavit but no updated affidavit of debt. The judge magistrate dismissed the case. The plaintiff in the case was Portfolio Recovery Associates, LLC, suing on a Capital One credit card debt that they purchased directly. They included a "bill of sale" signed by Capital One (but not the buyer). The affidavit stated the seller (Capital One Bank (USA), NA) and the date of sale but did not state the address of the seller. It is not clear if the missing seller address was the basis for the judge's entry of dismissal. The order stated, "This matter is continued for 30 days to allow the plaintiff to file BOTH an updated

military affidavit AND an updated affidavit of debt as to the defendant. Should BOTH of such filings not be made, the case will be subject to dismissal."[56]

Of the 13 non-default judgments, 4 were judgments by stipulation and the rest were recorded on the court database as being entered after a hearing. Judgments by stipulation are recorded as a case disposition when a defendant agrees to the entry of judgment, rather than resolving the case through negotiated settlement and dismissal. Our analysis of case documents shows that judgment in favor of the plaintiff is the predominant case outcome, even where defendants respond to the lawsuit. The prevalence of entry of judgment in debt collection cases in Connecticut affirms the importance of the role of the court in ensuring that plaintiffs comply with documentation requirements and that all judgments are entered in accordance with the law and the court rules.

DISCUSSION

Mixed Effect of Documentation Laws in Superior Court

Our difference-in-differences (DiD) analysis provides valuable insights into the impact of Connecticut's debt documentation reforms on debt collection litigation. The findings reveal both expected and unexpected outcomes, highlighting areas where the reforms may have been effective and where further attention may be needed.

Limitations of the Analysis

We study changes in the civil filings system because the civil filing system presented a consistent set of case variables for our event study. To this end, we excluded small claims cases from our DiD study.[57] By limiting our observations to superior court cases, we are able to obtain a consistent set of variables before and after the 2014 change in the law.

For cases valued below $5,000, plaintiffs have the option to file in either the small claims or superior court systems. Between 2011-2014, when only small claims court had documentation rules, plaintiffs might have moved their filings to superior court, despite the higher filing fee. Although this study does not include small claims data pre- and post-2011 reforms, we acknowledge that the 2011 law change may have driven some early trends that we see in our data. It is possible that stricter documentation regulation in small claims influenced debt buyers' decisions about whether to file their cases in small claims or civil/superior courts. Before 2011, when documentation requirements were the same in both types of courts, plaintiffs may have chosen the one with the lower cost and faster process. This provides a substantial advantage to small claims courts as the filing fee is only $95 versus $230 for cases valued at less than $2,500 and $360 for cases valued over $2,500 in

Civil courts.[58] Further research involving small claims court filings is needed to fully understand the effects of the 2011 documentation law that affected small claims cases prior to the 2014 changes studied here.

There are two sets of legal changes that could have affected case outcomes after 2014. The first is the 2014 changes to the superior court rules governing civil cases. Some of these changes applied to all creditor plaintiffs, while others applied only to third-party creditor plaintiffs. Our DiD analyses identify the effect of the third-party provisions of the 2014 rule changes on the difference in outcomes between first- and third-party plaintiffs only if: (1) in the absence of the law, these outcomes would have evolved in parallel, and (2) the common portions of the 2014 law would affect first and third-party plaintiffs in the same way. If the second assumption is violated, then the regressions identify an average of the effect of the third-party provisions and the differential impact of the common provisions on third-party plaintiffs. The second set of changes results from the 2016 General Statute, which also had some common provisions all of which applied only to third-party creditors. For the years after 2016, the regression identifies the combined effects of the 2014 and 2016 changes on third party creditors relative to first-party creditors.

Decrease in Filings by Third-Party Plaintiffs

One of the most important outcomes observed was the relative decrease in filings by third-party plaintiffs following the implementation of the new rules in 2014. This decrease suggests that the heightened documentation requirements have made it more costly for debt buyers to pursue cases in civil court.

The relative decrease in third-party filings aligns with the policy's intention to ensure that only substantiated claims proceed to court. By increasing the burden of proof, the reforms may have successfully deterred third-party plaintiffs from filing high-volume cases with no documentation, thereby enhancing the overall quality of debt collection litigation. However, our finding of a lack of compliance in small claims cases indicates that courts may need to take a greater role in ensuring that the documents attached strictly comply with the requirements of the law and the court rules.

Attorney Representation and Defendant Response Rates

There is no clear theoretical relationship between the 2014 law and attorney representation. On the one hand, documentation requirements may eliminate some low-quality lawsuits where plaintiffs were unlikely to be represented. On the other hand, higher quality information could lead to more or less representation.

We found no evidence that the 2014 rules affected attorney representation rates. The proportion of defendants with legal representation remained low and unchanged post-reform, indicating that defendants continue to face substantial barriers in accessing legal assistance. This finding underscores the need for additional measures to improve legal support for defendants in debt collection cases.

There is also no clear theoretical relationship between the 2014 law and response rates. Better documentation could make a defendant more or less likely to respond. We find suggestive evidence that the 2014 law affected response rates. There is evidence of a strong pre-existing trend in the difference between first- and third-party response rates. Prior to 2014, third-party response rates were increasing relative to first-party response rates. Subsequent to 2014, there has been no change in this difference over the years observed.

Writs of Execution and Case Values

There is no clear theoretical relationship between documentation requirements and whether a plaintiff will obtain a writ of execution. On the one hand, better documentation could mean that fewer writs are issued in cases where plaintiffs have a weak claim. On the other hand, better documentation could lead to case outcomes, including judgments, other than a writ of execution.

We find some evidence of a decrease in the rate at which third-party creditors file writs of execution relative to first-party creditors. Although judgments were still entered against consumers, fewer writs of execution were issued in those cases. Documentation is required at the time a creditor applies for an entry of default judgment. Therefore, this reduction may also indicate that — with better documentation — a consumer is more likely to use Connecticut's unique, court-driven weekly payment plan to agree to repay the debt. Regardless of the driver of reduction in writs, this outcome potentially aligns with the policy's goal of protecting consumers from unwarranted garnishments and executions.

Time to Judgment and Default Judgment Rates

There is no clear conceptual relationship between the 2014 disclosure law and time to judgment. On the one hand, better information in the complaint could lead to faster case dispositions. On the other hand, if plaintiffs require more time to obtain the required information, or the information is more likely to be disputed by the parties, then dispositions could take longer for third-party plaintiffs.

The 2014 rules had no measurable effect on time to judgment. Over the sample period, the mean time to disposition was 28.6 weeks for first-party creditors and 36.1 for third-party creditors. This difference did not change appreciably over the course of the sample period.

There is also no clear theoretical relationship between the 2014 disclosure law and the likelihood of obtaining a default judgment. On the one hand, better documentation might convince defendants not to answer a complaint. On the other hand, the same documentation might provide the basis of greater contestation in the form of an answer.

The 2014 rules had no effect on default rates. The mean default rate for first-party creditors over the entire sample period was 45% of cases, while for third-party creditors it was 48% of cases. This difference does not change measurably over the sample period.

Satisfaction of Judgments

Finally, the satisfaction rates for judgments remained unchanged following the reforms. This consistency suggests that the new documentation requirements did not affect the ultimate resolution of debts in terms of payment fulfillment. The low satisfaction rates over the 12-year period— 18% for first-party creditors and 17% for third-party creditors—reflect the challenges faced by plaintiffs in collecting judgments.

Rampant Non-Compliance with Documentation Requirements in Small Claims Court

We reviewed a random set of 88 cases filed in a 2-year period. Although this amounts to 0.3% of all cases filed in small claims during that time, the fact that not a single case fully adhered to the documentation requirements set forth by Connecticut's 2011 court rule and 2016 statute raises serious concerns about the integrity of the debt collection process in Connecticut small claims court. We can go further, since our sample was chosen at random. Let's suppose, for example, that the rate at which debt buyers complied with *all* requirements was a paltry 5%. Even in that case, which is a clear example of substantial noncompliance, we would expect to see data this bad only 1% of the time.[59] Consequently, we can conclude that actual compliance is likely worse than 5%.[60] Despite the non-compliance, only one case was dismissed for failure to abide by the rules. Three quarters of the cases obtained a default judgment, including one that did not even attach any kind of affidavit.

The failure to attach contracts, properly complete affidavits, and include required statements about the statute of limitations undermines the due process rights of defendants and leads to unjust judgments. While we have no way of knowing whether the plaintiff could have met the standard of proof as to any of these debts: that they own the debt, it is for the correct amount, and this is the correct person they are suing, what we do know is that they have failed to comply with a rule and statute specifically in place to protect consumers. This systemic non-compliance erodes public trust in the judicial system, as it suggests that debt buyers may not be held to the rigorous standards necessary to ensure fair and transparent legal proceedings.

There appears to be a lack of sufficient enforcement mechanisms to ensure compliance with the rules in small claims court. This lack of enforcement is evidenced by the high rates of entry of default judgment granted despite incomplete documentation. Our findings present an opportunity to encourage Connecticut courts to engage in affirmative verification to ensure compliance with these requirements. Of note, our findings are only about small claims court.

Connecticut small claims cases are heard by magistrates appointed by the Connecticut Chief Court Administrator.[61] "Magistrates … conduct small claims, infractions and violations trials, in addition to other matters … Compensation is $200 per day pursuant to" a statute.[62] The 27,172 small claims cases filed in 2021-22 were handled by 147 different magistrates. The average magistrate had been admitted in Connecticut for more than 36 years. The average magistrate handled 377 cases during these two years, although 20 magistrates handled fewer than 5 cases and one handled as many as 4,052 cases.

Conclusions and Recommendations

The evidence presented in this report evaluates important reforms targeted at improving outcomes and making the system fairer for debt collection defendants in Connecticut. In superior court, we find that Connecticut's debt documentation reforms influenced filings, how long it took for cases to get to judgment, and the rates of writ of execution in Connecticut superior courts. However, our examination of documents in small claims cases in recent years also finds widespread noncompliance on the part of plaintiffs and a lack of enforcement on the part of the courts.

Defendants in debt collection cases are often already in vulnerable financial positions. The lack of proper documentation may deprive them of the opportunity to challenge the validity of the debt, question the ownership of the debt or the amount claimed, and raise defenses such as the expiration of the statute of limitations. Non-compliance may be at odds with courts' interest in reducing inefficiencies within the court system, as judges and clerks forced to spend additional time reviewing incomplete or incorrect filings. However, a focus on efficient case disposition may lead to unfair judgments, resulting in garnishments and executions against defendants. Judgments entered when plaintiffs fail to follow the rules are particularly troubling because they are enforced by the court system at the taxpayers' expense, despite the plaintiffs' failure to comply with legal requirements. This situation undermines the principle of justice and fairness that the legal system strives to uphold.

Courts can contribute to ensuring fairness in these cases by implementing stricter verification processes for documentation compliance before granting judgments. This could include routine audits and penalties for repeated non-compliance by court clerks or judges. Even if the defendant may have incurred a debt, it does not necessarily mean they owe the claimed

amount to the current plaintiff, and it is the plaintiff's responsibility to provide sufficient evidence to substantiate their claims.

The reforms have failed to ensure full compliance with documentation requirements, at least in small claims court, which has the highest volume of filings. This results in continued abuses and inefficiencies within the court system. To protect defendants' rights and restore integrity to the judicial process, we urge the court to consider the following:

Comprehensive Monitoring and Evaluation: Ongoing monitoring and evaluation of reforms are essential. Courts should consider implementing small random audits to review compliance in past cases.

Stricter Enforcement Mechanisms vis-à-vis Plaintiffs: Connecticut courts should implement rigorous verification processes to ensure plaintiffs comply with documentation requirements before granting judgments. Significant penalties for repeated non-compliance should be established to deter lawsuits that flaunt compliance with the law.

Training, Checklists, and Review for Magistrates: Small claims magistrates might benefit from a checklist they can use to verify whether legal requirements have been met before allowing a plaintiff to obtain a judgment. The National Center for State Courts has recently developed a tool to help courts generate such a checklist.[63] While the tool would have to be populated with the Connecticut-specific requirements, it is a welcome start for jurisdictions like Connecticut that have enacted documentation requirements.

Fixing Past Mistakes: Thousands of judgments may have been issued in cases where the plaintiff failed to comply with the rules. It is difficult—perhaps procedurally impossible—to set aside all those judgments. Our recommendation is that upon application for writ of execution, the judge should review the case file for compliance with documentation requirements. If a court has erroneously granted a judgment to a plaintiff who did not provide the proper documentation, the court should not issue a writ of execution.

We must ensure that the judicial system remains fair and just. Allowing plaintiffs to bypass the rules and still secure judgments that lead to garnishments and other oppressive actions is detrimental. This not only harms defendants but also misuses taxpayer dollars to enforce unjust judgments. By addressing these critical areas, Connecticut can enhance the effectiveness of its debt documentation reforms and ensure a fairer, more equitable debt collection system.

APPENDIX A – CONNECTICUT DOCUMENTATIONS RULES & LAW

Highlighted portions apply to *both* original creditors and debt buyers. If not highlighted, it applies only to debt buyers.

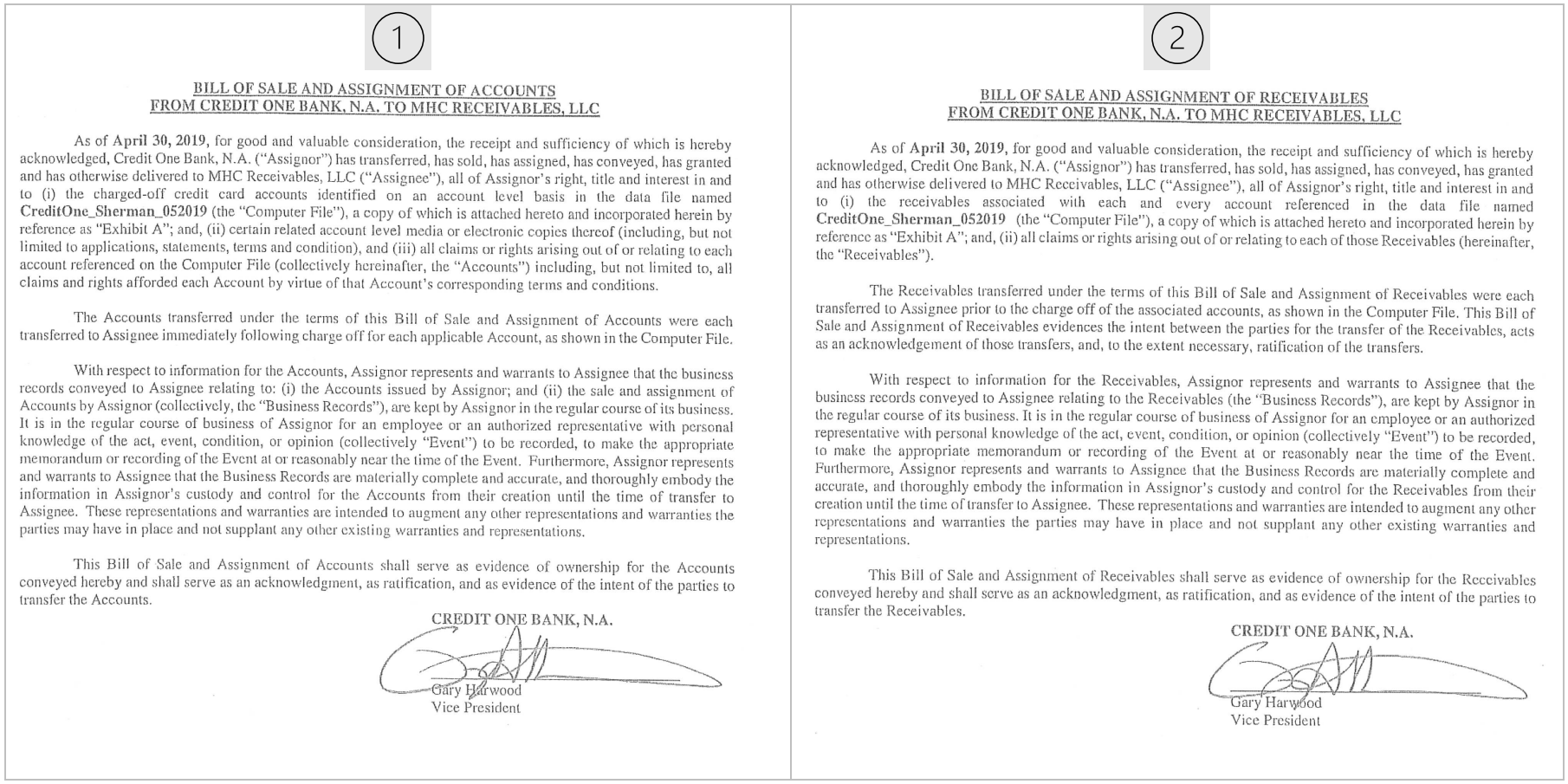
	Court Rule, PB 24-24 Small Claims Only[64]	**Court Rule, PB 17-25 Superior Court Only**[65]	**Conn. Gen. Stat. § 36a-813 (all)**[66]
	After January 1, 2011	After January 1, 2014	After October 1, 2016
When Required	Prior to the entry of *any judgment*[67]	Prior to the entry of *a default judgment*[68]	[varies]
Who Signs Affidavit of Debt	"signed by the plaintiff or representative who is not the plaintiff's attorney."[69]	"signed by the plaintiff or representative who is not the plaintiff's attorney"	*Prior to the entry of a default judgment*: "a sworn affidavit" [no further specifics]
Statements Required	Plaintiff/buyer must "swear to purchase of debt" from its seller in the affidavit [Option A] "in the affidavit of debt, recite the names of all prior owners of the debt with the date of each prior sale [or choose Option B below] [if an assigned contract or an instrument], "affidavit shall state that the instrument or contract is now owned by the plaintiff"[70] Affidavit "shall state the amount due or the principal owed and contain an itemization of interest, attorney's fees and other lawful charges claimed."	"The affidavit shall contain a statement that any documents attached to it are true copies of the originals" Plaintiff/buyer must "swear to purchase of debt" from its seller in the affidavit [Option A] "in the affidavit of debt, recite the names of all prior owners of the debt with the date of each prior sale" [or choose Option B below] [if an assigned contract or an instrument], "affidavit shall state that the instrument or contract is now owned by the plaintiff"[71] Affidavit "shall state the amount due or the principal owed and contain an itemization of interest, attorney's fees and other lawful charges claimed."	*Prior to entry of* any *judgment:* "if the debt has been assigned more than once, [state] the name, address and dates of ownership of each assignor"[72] *Prior to entry of a default judgment:* [affidavit] "lists the name, address and dates of ownership of each owner of the debt, from the charge-off creditor to the current owner."

	Court Rule, PB 24-24 Small Claims Only[73]	**Court Rule, PB 17-25 Superior Court Only[74]**	**Conn. Gen. Statute § 36a-813 (both courts)**
Required Attachments to Affidavit	[if an assigned contract or an instrument,] "a copy of the executed instrument shall be attached to the affidavit"[75] [if plaintiff chose Option A]: attach "the most recent bill of sale from the plaintiff's seller" [Option B] "attach all bills of sale back to the original creditor"	[if an assigned contract or an instrument,] "a copy of the executed instrument or contract shall be attached to the affidavit" [if plaintiff chose Option A]: attach "the most recent bill of sale from the plaintiff's seller" [Option B] "attach all bills of sale back to the original creditor"	*Prior to entry of* any *judgment:* (1) documentation establishing that plaintiff is the owner of the debt, (2) containing the account number and the name associated with the debt, and (3) "if the debt has been assigned more than once ... a copy of each assignment or other documentation that establishes an unbroken chain of ownership of the debt by the plaintiff." *Prior to entry of a default judgment:* "attach documentation to the affidavit that fully substantiates the amount of the debt."
Special Rules for Credit Cards			If credit card debt, "a copy of the most recent statement showing a transaction." If credit card debt was purchased debt after Oct 1, 2016, attach an additional statement showing consumer address. "Post-charge-off itemization of the balance if the balance is different from the charge-off amount."[76]

	Court Rule, PB 24-24 Small Claims Only[77]	Court Rule, PB 17-25 Superior Court Only[78]	Conn. Gen. Statute § 36a-813 (both courts)
Requirements Related to the Statute of Limitations	Small Claims Writ form "shall state the basis upon which the plaintiff claims the statute of limitations has not expired"[79] "The affidavit shall simply state the basis upon which the plaintiff claims the statute of limitations has not expired."[80]		Cannot initiate a cause of action when the debt buyer plaintiff knows or reasonably should know the statute of limitations period has expired. The statute of limitations period is not extended by payment or affirmation.
Plaintiff Claiming Interest or Fees—Statements that Must be Made in Affidavit and Attachments that Must be Included	"Any plaintiff claiming interest shall separately state the interest and shall specify the dates from which and to which interest is computed, the rate of interest, the manner in which it was calculated and the authority upon which the claim for interest is based." "If the plaintiff has claimed any lawful fees or charges based on a provision of the contract, the plaintiff attach to the affidavit of debt a copy of the portion of the contract containing the terms of the contract providing for such fees or charges and the amount claimed."	"Any plaintiff claiming interest shall separately state the interest and shall specify the dates from which and to which interest is computed, the rate of interest, the manner in which it was calculated and the authority upon which the claim for interest is based." "If the plaintiff claims any lawful fees or charges other than interest, including a reasonable attorney's fee, the plaintiff shall attach to the affidavit of debt a copy of the portion of the contract containing the terms of the contract providing for such fees or charges and the amount claimed."	

APPENDIX B – A TYPICAL SET OF BILLS OF SALE/TRANSACTIONS

(cross-reference with Figure 15 at page 28)



1

BILL OF SALE AND ASSIGNMENT OF ACCOUNTS
FROM CREDIT ONE BANK, N.A. TO MHC RECEIVABLES, LLC

As of **April 30, 2019**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Credit One Bank, N.A. ("Assignor") has transferred, has sold, has assigned, has conveyed, has granted and has otherwise delivered to MHC Receivables, LLC ("Assignee"), all of Assignor's right, title and interest in and to (i) the charged-off credit card accounts identified on an account level basis in the data file named **CreditOne_Sherman_052019** (the "Computer File"), a copy of which is attached hereto and incorporated herein by reference as "Exhibit A"; and, (ii) certain related account level media or electronic copies thereof (including, but not limited to applications, statements, terms and condition), and (iii) all claims or rights arising out of or relating to each account referenced on the Computer File (collectively hereinafter, the "Accounts") including, but not limited to, all claims and rights afforded each Account by virtue of that Account's corresponding terms and conditions.

The Accounts transferred under the terms of this Bill of Sale and Assignment of Accounts were each transferred to Assignee immediately following charge off for each applicable Account, as shown in the Computer File.

With respect to information for the Accounts, Assignor represents and warrants to Assignee that the business records conveyed to Assignee relating to: (i) the Accounts issued by Assignor; and (ii) the sale and assignment of Accounts by Assignor (collectively, the "Business Records"), are kept by Assignor in the regular course of its business. It is in the regular course of business of Assignor for an employee or an authorized representative with personal knowledge of the act, event, condition, or opinion (collectively "Event") to be recorded, to make the appropriate memorandum or recording of the Event at or reasonably near the time of the Event. Furthermore, Assignor represents and warrants to Assignee that the Business Records are materially complete and accurate, and thoroughly embody the information in Assignor's custody and control for the Accounts from their creation until the time of transfer to Assignee. These representations and warranties are intended to augment any other representations and warranties the parties may have in place and not supplant any other existing warranties and representations.

This Bill of Sale and Assignment of Accounts shall serve as evidence of ownership for the Accounts conveyed hereby and shall serve as an acknowledgment, as ratification, and as evidence of the intent of the parties to transfer the Accounts.

CREDIT ONE BANK, N.A.

Gary Harwood
Vice President

2

BILL OF SALE AND ASSIGNMENT OF RECEIVABLES
FROM CREDIT ONE BANK, N.A. TO MHC RECEIVABLES, LLC

As of **April 30, 2019**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Credit One Bank, N.A. ("Assignor") has transferred, has sold, has assigned, has conveyed, has granted and has otherwise delivered to MHC Receivables, LLC ("Assignee"), all of Assignor's right, title and interest in and to (i) the receivables associated with each and every account referenced in the data file named **CreditOne_Sherman_052019** (the "Computer File"), a copy of which is attached hereto and incorporated herein by reference as "Exhibit A"; and, (ii) all claims or rights arising out of or relating to each of those Receivables (hereinafter, the "Receivables").

The Receivables transferred under the terms of this Bill of Sale and Assignment of Receivables were each transferred to Assignee prior to the charge off of the associated accounts, as shown in the Computer File. This Bill of Sale and Assignment of Receivables evidences the intent between the parties for the transfer of the Receivables, acts as an acknowledgement of those transfers, and, to the extent necessary, ratification of the transfers.

With respect to information for the Receivables, Assignor represents and warrants to Assignee that the business records conveyed to Assignee relating to the Receivables (the "Business Records"), are kept by Assignor in the regular course of its business. It is in the regular course of business of Assignor for an employee or an authorized representative with personal knowledge of the act, event, condition, or opinion (collectively "Event") to be recorded, to make the appropriate memorandum or recording of the Event at or reasonably near the time of the Event. Furthermore, Assignor represents and warrants to Assignee that the Business Records are materially complete and accurate, and thoroughly embody the information in Assignor's custody and control for the Receivables from their creation until the time of transfer to Assignee. These representations and warranties are intended to augment any other representations and warranties the parties may have in place and not supplant any other existing warranties and representations.

This Bill of Sale and Assignment of Receivables shall serve as evidence of ownership for the Receivables conveyed hereby and shall serve as an acknowledgment, as ratification, and as evidence of the intent of the parties to transfer the Receivables.

CREDIT ONE BANK, N.A.

Gary Harwood
Vice President

Source: https://perma.cc/V43S-WWKW

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BILL OF SALE AND ASSIGNMENT OF ACCOUNTS FROM MHC RECEIVABLES, LLC TO SHERMAN ORIGINATOR III LLC

On **May 14, 2019,** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MHC Receivables, LLC ("Assignor"), hereby transfers, sells, assigns, conveys, grants and otherwise delivers to Sherman Originator III LLC ("Assignee"), all of Assignor's, rights title and interest in and to (i) the charged-off accounts identified on an account level basis in the data file named **CreditOne_Sherman_052019** (the "Computer File"), a copy of which is attached hereto and incorporated herein by reference as "Exhibit A"; and, (ii) certain related account level media or electronic copies thereof (including, but not limited to applications, statements, terms and condition), and (iii) all claims or rights arising out of or relating to each referenced account (collectively hereinafter the "Accounts") including, but not limited to, all claims and rights afforded each account by virtue of that account's corresponding terms and conditions.

With respect to information for the Accounts described in the related Computer File, Assignor represents and warrants to Assignee that the business records relating to: (i) the Accounts owned by Assignor; and (ii) the sale and assignment of Accounts by Assignor (collectively, the "Business Records"), are kept by Assignor in the regular course of its business. It is in the regular course of business of Assignor for an employee or an authorized representative with personal knowledge of the act, event, condition, or opinion (collectively "Event") to be recorded, to make the appropriate memorandum or recording at or reasonably near the time of the Event. Furthermore, Assignor represents and warrants to Assignee that the Business Records are materially complete and accurate and thoroughly embody the information in Assignor's custody and control for the Accounts listed in the Computer File from Assignor's receipt of those Accounts until the time of transfer to Assignee. These representations and warranties are intended to augment any other representations and warranties the parties may have in place and not supplant any other existing warranties and representations.

This Bill of Sale and Assignment of Accounts shall serve as evidence of ownership for any of the Accounts conveyed hereby.

MHC Receivables, LLC

Mark Rufail, Authorized Representative

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BILL OF SALE AND ASSIGNMENT OF RECEIVABLES FROM MHC RECEIVABLES, LLC, TO FNBM, LLC

As of **May 14, 2019**, MHC Receivables, LLC ("Assignor"), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has periodically transferred, has sold, has assigned, has conveyed, has granted and has otherwise delivered to FNBM, LLC, ("Assignee") all of its rights, title and interest in and to (i) the receivables identified and specifically referenced for each of the accounts on an account level basis on the data file titled **CreditOne_Sherman_052019** attached hereto and incorporated by reference as "Exhibit A" ; and (ii) all claims or rights arising out of or relating to the account level receivables (hereinafter the "Receivables").

With respect to information for the Receivables, Assignor represents and warrants to Assignee that the business records conveyed to Assignee relating to the Receivables (the "Business Records"), are kept by Assignor in the regular course of its business. It is in the regular course of business of Assignor for an employee or an authorized representative with personal knowledge of the act, event, condition, or opinion (collectively "Event") to be recorded, to make the appropriate memorandum or recording of the Event at or reasonably near the time of the Event. Furthermore, Assignor represents and warrants to Assignee that the Business Records are materially complete and accurate, and thoroughly embody the information in Assignor's custody and control for the Receivables from their creation until the time of transfer to Assignee. These representations and warranties are intended to augment any other representations and warranties the parties may have in place and not supplant any other existing warranties and representations.

This Bill of Sale and Assignment of Receivables shall serve as an acknowledgment, as ratification, and as evidence of the intent of the parties to transfer the Released Receivables referenced herein.

MHC Receivables, LLC

Mark Rufail, Authorized Representative

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BILL OF SALE AND ASSIGNMENT OF RECEIVABLES FROM FNBM, LLC, TO SHERMAN ORIGINATOR III LLC

On **May 14, 2019**, FNBM, LLC ("Assignor"), for good and valuable consideration, the receipt of which is hereby acknowledged, hereby transfers, sells, assigns, conveys, grants and delivers to Sherman Originator III LLC ("Assignee"), all of its rights, title and interest in and to (i) the receivables identified and specifically referenced for each of the accounts on an account level basis on the data file titled **CreditOne_Sherman_052019** attached hereto and incorporated by reference as "Exhibit A"; and (ii) all claims or rights arising out of or relating to the receivables (hereinafter the "Receivables").

With respect to information for the Receivables, Assignor represents and warrants to Assignee that the business records relating to the Receivables (the "Business Records") are kept by Assignor in the regular course of its business. It is in the regular course of business of Assignor for an employee or an authorized representative with personal knowledge of the act, event, condition, or opinion (collectively "Event") to be recorded, to make the appropriate memorandum or recording at or reasonably near the time of the Event. Furthermore, Assignor represents and warrants to Assignee that the Business Records are materially complete and accurate and thoroughly embody the information in Assignor's custody and control for the Receivables from Assignor's receipt of those Receivables until the time of transfer to Assignee. These representations and warranties are intended to augment any other representations and warranties the parties may have in place and not supplant any other existing warranties and representations.

This Bill of Sale and Assignment of Receivables shall serve as evidence of ownership for any of the Receivables conveyed hereby.

FNBM, LLC

Jon Mazzoli, Authorized Representative

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Transfer and Assignment

Sherman Originator III LLC ("SOLLC III"), without recourse, to the extent permitted by applicable law, hereby transfers, sells, assigns, conveys, grants and delivers to Sherman Originator LLC ("SOLLC") all of its right, title and interest in and to the receivables and other assets (the "Assets") identified on Exhibit A, in the Receivable File dated May 02, 2019 delivered by MHC Receivables, LLC and FNBM, LLC on May 14, 2019 for purchase by SOLLC III on May 14, 2019. The transfer of the Assets included electronically stored business records.

SOLLC, subsequent to the above mentioned transfer, hereby transfers, sells, assigns, conveys, grants and delivers to LVNV Funding LLC ("LVNV"), the above mentioned Assets. The transfer of the Assets included electronically stored business records.

Dated: **May 14, 2019**

Sherman Originator III LLC
a Delaware Limited Liability Company

By: _____
Name: Jon Mazzoli
Title: Director

Dated: **May 14, 2019**

Sherman Originator LLC
a Delaware Limited Liability Company

By: _____
Name: Jackson Walker
Title: Authorized Representative

Dated: **May 14, 2019**

LVNV Funding LLC
a Delaware Limited Liability Company

By: _____
Name: Daniel Picciano
Title: Authorized Representative

APPENDIX C – BILL OF SALE

EXHIBIT A

BILL OF SALE

Comenity Bank ("Seller"), for value received and pursuant to the terms and conditions of Credit Card Account Purchase Agreement dated December 27, 2018 between Seller and Sherman Originator III LLC ("Purchaser"), its successors and assigns ("Credit Card Account Purchase Agreement"), hereby assigns effective as of the File Creation Date of June 11, 2019 all rights, title and interest of Seller in and to those certain receivables, judgments or evidences of debt described in Schedule 1 (the "Asset Schedule") attached hereto and made part hereof for all purposes..

Amounts due to Seller by Purchaser in hereunder shall be paid U.S. Dollars by a wire transfer to be received by Seller on (the "Closing Date") June 18, 2019 by 5:00 p.m. Seller's time, as follows:

COMENITY BANK

[redacted]

This Bill of Sale is executed without recourse except as stated in the Credit Card Account Purchase Agreement to which this is an Exhibit. No other representation of or warranty of title or enforceability is expressed or implied.

COMENITY BANK

By: [signature]

Date: July 18, 2019

Title: CFO

SHERMAN ORIGINATOR III LLC

By: [signature]

Date: July 18, 2019

Title V.P

Declaration of Account Transfer

Sherman Originator III LLC ("SOLLC III"), without recourse, to the extent permitted by applicable law, transferred, sold, assigned, conveyed, granted and delivered to Sherman Originator LLC ("SOLLC") all of its right, title and interest in and to the receivables and other assets (the "Assets") identified on Exhibit A, in the Receivable File dated June 11, 2019 delivered by Comenity Bank on June 18, 2019 for purchase by SOLLC III on June 18, 2019. The transfer of the Assets included electronically stored business records.

SOLLC, subsequent to the above mentioned transfer, transferred, sold, assigned, conveyed, granted and delivered to LVNV Funding LLC ("LVNV"), the above mentioned Assets. The transfer of the Assets included electronically stored business records.

Sherman Originator III LLC
a Delaware Limited Liability Company

By: _____
Name: Jon Mazzoli
Title: Director

Sherman Originator LLC
a Delaware Limited Liability Company

By: _____
Name: Jackson Walker
Title: Authorized Representative

LVNV Funding LLC
a Delaware Limited Liability Company

By: _____
Name: Daniel Picciano
Title: Authorized Representative

The Debt Collection Lab

The Debt Collection Lab uses arts and different storytelling traditions to interrogate, transform, and spread new dignifying narratives for debt justice. The Debt Collection Lab is an interdisciplinary collaboration of researchers led by Frederick F. Wherry, the Townsend Martin, Class of 1917 Professor of Sociology at Princeton. The Debt Collection Lab conducts research on debt collection in state courts and collects and reports data on the Debt Collection Lawsuit Tracker to monitor regular updates to the number of debt cases being filed across the United States.

- *Abhay Aneja is Assistant Professor of Law at Berkeley Law.*
- *Julia Byeon is a PhD candidate in Sociology at Princeton University.*
- *Jacqueline Cope is a recent graduate of Berkeley Law.*
- *Luis Faundez is a Postdoctoral Scholar at Berkeley Law.*
- *Dalié Jiménez is Professor of Law at the University of California, Irvine, and co-principal investigator at the Debt Collection Lab.*
- *Claire Johnson Raba is Assistant Professor of Law at the University of Illinois Chicago, and co-principal investigator at the Debt Collection Lab.*
- *Prasad Krishnamurthy is Professor of Law at Berkeley Law.*
- *Manisha Padi is Assistant Professor of Law at Berkeley Law.*

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ENDNOTES

[1] Jiménez, Dalié, "Decreasing Supply to the Assembly Line of Debt Collection Litigation," Harvard Law Review Forum 135, no. 7 (May 2022): 374-390; The Pew Charitable Trusts, *How Debt Collectors Are Transforming the Business of State Courts,* (May 6, 2020), https://www.pewtrusts.org/en/research-and-analysis/reports/2020/05/how-debt-collectors-are-transforming-the-business-of-state-courts.
[2] See generally Holland, Peter. 2016. "Current Trends in Consumer Junk Debt Buyer Litigation." *Faculty Scholarship*, May 2016; Jiménez, Dalié. 2015. "Dirty Debts Sold Dirt Cheap." *Harvard Journal on Legislation* 52 (1): 41–124; Fox, Judith. 2011. "Do We Have a Debt Collection Crisis - Some Cautionary Tales of Debt Collection in Indiana Feature Article." *Loyola Consumer Law Review* 24 (3): 355–88; Spector, Mary, and Ann Baddour. 2015. "Collection Texas-Style: An Analysis of Consumer Collection Practices in and out of the Courts Symposium: Advancing Equal Access to Justice: Barriers, Dilemmas, and Prospects." *Hastings Law Journal* 67 (5): 1427–67.
[3] Jiménez, "Decreasing Supply to the Assembly Line of Debt Collection Litigation" *supra* n. 1, at 374-390; Wilf-Townsend, Daniel, "Assembly-Line Plaintiffs," Harvard Law Review 135, no. 7 (May 2022): 1704-1789.
[4] Jurgens, Rick and Hobbs, Robert J. National Consumer Law Center. "The Debt Machine: How the Collection Industry Hounds Consumers and Overwhelms Courts," (July 2010).https://www.nclc.org/wp-content/uploads/2022/09/debt-machine.pdf; Holland, Peter A. "The One Hundred Billion Dollar Problem in Small Claims Court: Robo-Signing and Lack of Proof in Debt Buyer Cases." Journal of Business and Technology Law 6, no. 2 (2011); Spector, Mary B. "Debts, Defaults and Details: Exploring the Impact of Debt Collection Litigation on Consumers and Courts." Virginia Law & Business Review 6, no. 2 (2011); Federal Trade Commission. "Repairing A Broken System: Protecting Consumers in Debt Collection Litigation and Arbitration," July 2010; Federal Trade Commission. "Collecting Consumer Debts: The Challenges of Change," February 2009. https://www.nclc.org/wp-content/uploads/2022/09/debt-machine.pdf; Holland, Peter A. "The One Hundred Billion Dollar Problem in Small Claims Court: Robo-Signing and Lack of Proof in Debt Buyer Cases." Journal of Business and Technology Law 6, no. 2, (2011): 259-286; Spector, Mary B. "Debts, Defaults and Details: Exploring the Impact of Debt Collection Litigation on Consumers and Courts." Virginia Law & Business Review 6, no. 2, (2011): 357-299; Federal Trade Commission. "Repairing A Broken System: Protecting Consumers in Debt Collection Litigation and Arbitration," July 2010; Federal Trade Commission. "Collecting Consumer Debts: The Challenges of Change," February 2009.
[5] Data on file with authors. See Table 1 for a summary of the observations in the data.
[6] Such a payment plan is also available after entry of judgment. "[O]n motion of the judgment creditor for an order of nominal payments, the court shall issue *ex parte*, without hearing, an order for nominal installment payments." CT Gen Stat § 52-356d. (2023).
[7] Motion for Default for Failure to Appear, Request for Order of Weekly Payments, and Notice, https://www.jud.ct.gov/webforms/forms/CV049.pdf. *See also* 2024 Connecticut Practice Book Section 17-26, https://jud.ct.gov/Publications/PracticeBook/PB.pdf.
[8] CT Gen Stat § 52-356d. (2023) provides that a party may petition the court, *ex parte*, for an order for nominal installment payments, and the court may grant this order without the defendant's input.
[9] For further discussion of why debt collectors may file cases in civil versus small claims court, see: Holland, Peter A. "The One Hundred Billion Dollar Problem in Small Claims Court: Robo-Signing and Lack of Proof in Debt Buyer Cases." Journal of Business and Technology Law 6, no. 2 (2011) and Fox, Judith. "Do We Have a Debt Collection Crisis? Some Cautionary Tales of Debt Collection in Indiana." Loyola Consumer Law Review 24 (2012).
[10] Minutes of the Bench-Bar Centralized Small Claims Committee, Subcommittee on Legal Issues Meeting (Aug. 20, 2008), https://www.jud.ct.gov/Committees/smallclaims/smallclaims_minutes_060308.pdf.
[11] Minutes of the Bench-Bar Centralized Small Claims Committee, Subcommittee on Legal Issues Meeting (Oct. 29, 2008), https://www.jud.ct.gov/Committees/smallclaims/LegalIssues/SC_Legal_minutes_102908.pdf; Minutes of the Bench-Bar Centralized Small Claims Committee, Subcommittee on Legal Issues Meeting (Nov. 12, 2008), https://www.jud.ct.gov/Committees/smallclaims/LegalIssues/SC_Legal_minutes_112208.pdf; Minutes of the Bench Bar Centralized Small Claims Committee, Steering Committee Meeting (Mar. 3, 2009), https://www.jud.ct.gov/Committees/smallclaims/smallclaims_minutes_030309.pdf; Draft Minutes of the Bench-Bar Centralized Small Claims Committee Meeting (Jan. 9, 2009),

https://www.jud.ct.gov/Committees/smallclaims/smallclaims_minutes_010909.pdf; Minutes of the Rules Committee Meeting (Jun. 1, 2009) https://www.jud.ct.gov/Committees/rules/rules_minutes_060109.pdf; Minutes of the Rules Committee Meeting (Apr. 7, 2010), https://www.jud.ct.gov/Committees/rules/rules_minutes_040710.pdf; Minutes of the Rules Committee Meeting (May 24, 2010) https://www.jud.ct.gov/Committees/rules/rules_min_052410.pdf.

[12] Minutes of the Annual Meeting Judges of the Superior Court, June 21, 2010, https://jud.ct.gov/committees/judges/Judgeannual_minutes_062110.pdf.

[13] Moreover: "Any plaintiff claiming interest shall separately state the interest and shall specify the dates from which and to which interest is computed, the rate of interest, the manner in which it was calculated and the authority upon which the claim for interest is based." (Section 24-24)

[14] Specifically: "If the plaintiff is not the original party with whom the instrument or contract was made, the plaintiff shall either (i) attach all bills of sale back to the original creditor and swear to its purchase of the debt from the last owner in its affidavit of debt while also referencing the attached chain of title in the affidavit of debt or (ii) in the affidavit of debt, recite the names of all prior owners of the debt with the date of each prior sale, and also include the most recent bill of sale from the plaintiff's seller and swear to its purchase of the debt from its seller in the affidavit of debt." (Section 24-24)

[15] After taking effect on January 1, 2011, the revised Section 24-24 was amended again in 2014 (effective January 1, 2015) to specify the definition of "charge-off" for the purposes of itemizing principal, fees, and interest in debt affidavits. "In those matters involving the collection of credit card and other debt owed to a financial institution and subject to federal requirements for the charging off of accounts, the federally recognized charge-off balance may be treated as the ''principal'' for purposes of this section and itemization regarding such debt is required only from the date of the charge-off balance." (Section 24-24)

[16] Minutes of the Civil Commission Meeting (June 5, 2012) https://www.jud.ct.gov/committees/civil/civil_minutes_060512.pdf

[17] Minutes of the Rules Committee Meeting (Nov. 19, 2012), https://www.jud.ct.gov/committees/rules/Rules_minutes_111912.pdf; Minutes of the Rules Committee Meeting (May 20, 2013), https://www.jud.ct.gov/committees/rules/Rules_minutes_052013.pdf; Minutes of the Civil Commission Meeting (Sept. 16, 2013), https://www.jud.ct.gov/committees/civil/civil_minutes_091613.pdf; Minutes of the Civil Commission Meeting (Dec. 9, 2013) https://www.jud.ct.gov/committees/civil/civil_minutes_120913.pdf.

[18] 2024 Connecticut Practice Book Section 17-25, https://jud.ct.gov/Publications/PracticeBook/PB.pdf

[19] House Bill 5571 (2016 Reg. Sess.) § 52 adopted May 26, 2016, now codified at Con. Gen. Stats. § 36a-813. [5/26/2016 House Bill 5571] [In 2016, the Connecticut General Assembly passed House Bill 5571, which was codified in Connecticut General Statutes Sections 36a-813, 36a-814, and 36a-648. Like Sections 24-24 and 17-25, Section 36a-813 establishes documentation and disclosure requirements when debt buyers initiate suit and move for default judgment, while Section 36a-814 prohibits debt buyers and creditors from suing on time-barred debt].

[20] House Bill 5571 (2016 Reg. Sess.) § 52, adopted May 26, 2016, now codified at Con. Gen. Stats. § 36a-813. [H.B. 5571]. (d) This section shall apply prospectively and shall not apply to any debt collection action commenced prior to October 1, 2016, or to debt purchased by a licensed mortgage lender pursuant to a recourse requirement. "'Consumer collection agency' means any person (A) engaged as a third party in the business of collecting or receiving for payment for others on any account, bill or other indebtedness from a consumer debtor, (B) engaged directly or indirectly in the business of collecting on any account, bill or other indebtedness from a consumer debtor for such person's own account if the indebtedness was acquired from another person and if the indebtedness was either delinquent or in default at the time it was acquired." 2016 Conn. Legis. Serv. P.A. 16-65 (H.B. 5571). Section 36a-648 provides a cause of action for collecting or attempting to collect a debt in violation of section 36a-805, which was later amended in 2018 to include violations of sections 36a-813 and 36a-814. House Bill 5571 (2016 Reg. Sess.) § 54 adopted May 26, 2016, now codified at Con. Gen. Stats. § 36a-648 (2016); Con. Gen. Stats. § 36a-805 (2016) [2016 36a-805]; Con. Gen. Stats. § 36a-805 (2018) [current version 36a-805]. H.B. 5571 Sec. 54.

[21] Connecticut Practice Book Section 17-25.

[22] Fox, Judith. "Do We Have a Debt Collection Crisis? Some Cautionary Tales of Debt Collection in Indiana." Loyola Consumer Law Review 24 (2012), pg. 373.

[23] Holland, Peter A. "Junk Justice: A Statistical Analysis of 4,400 Lawsuits Filed by Debt Buyers." 26 Loyola Consumer Law Reporter 179 (2014), https://debtbuyeragreements.com/?p=7.
[24] The California Fair Debt Buying Protection Act, also known as the Fair Debt Buying Practices Act, passed in 2013 and came into effect January 1, 2014. Impacts of the law are reported in Barnard, Julia, Kiran Sidhu, Peter Smith, and Lisa Stifler. "Court System Overload: The State of Debt Collection in California after the Fair Debt Buyer Protection Act." Center for Responsible Lending, October 2020. https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-california-debt-oct2020.pdf.
[25] *Id.*
[26] The data was obtained directly from the Connecticut courts in over 30 flat .txt files exported from a relational database. Researchers read the data into an R dataframe and reconstructed the relationships based on documentation provided by the Connecticut courts. Analysis was performed in Stata and R.
[27] Conn. Prac. Book 17-25(b)(A).
[28] Aneja, Abhay, Julia Byeon, Jacqueline Cope, Luis Faundez, Doug A. Lewis, Dalié Jiménez, Claire Johnson Raba, Prasad Krishnamurthy, and Manisha Padi, "More Paper in California: An Evaluation of Documentation Reforms in State Court." Debt Collection Lab (July 2024) at 1, https://debtcollectionlab.org/docs/california-debt-documentation-evaluation.pdf.
[29] CT Gen. Stat § 52-259(a).
[30] Connecticut Practice Book Section 6-5, After the plaintiff files written notice, the clerk is then obligated to make a notation on the file and docket sheet, which is recorded in our dataset.
[31] To generate the list of cases, we used a function that selected every nth case of cases filtered to third-party debt collectors. Given the number of cases in the period, the function selected every 360th record.
[32] Connecticut Practice Book Section 24-9.
[33] Conn. Prac. Book 24-24(b)(1)(A).
[34] Conn. Prac. Book 17-25.
[35] Here is the full text of Practice Book section 24-24(1)(A):

> If the instrument on which the contract is based is a negotiable instrument or assigned contract, the affidavit shall state that the instrument or contract is now owned by the plaintiff and a copy of the executed instrument shall be attached to the affidavit. If the plaintiff is not the original party with whom the instrument or contract was made, the plaintiff shall either (i) attach all bills of sale back to the original creditor and swear to its purchase of the debt from the last owner in its affidavit of debt while also referencing the attached chain of title in the affidavit of debt or (ii) in the affidavit of debt, recite the names of all prior owners of the debt with the date of each prior sale, and also include the most recent bill of sale from the plaintiff's seller and swear to its purchase of the debt from its seller in the affidavit of debt. If applicable, the allegations shall comply with General Statutes § 52-118.

[36] *Id.*
[37] Conn Prac. Book 24-24.
[38] *Id.*
[39] *Id.*
[40] *Id.*
[41] House Bill 5571 (2016 Reg. Sess.) § 52 adopted May 26, 2016, now codified at Con. Gen. Stats. § 36a-813. [5/26/2016 House Bill 5571].
[42] House Bill 5571 (2016 Reg. Sess.) § 52 adopted May 26, 2016, now codified at Con. Gen. Stats. § 36a-813. [5/26/2016 House Bill 5571].
[43] These were the only documents filed on the case, https://perma.cc/8RGS-JB8A. Court order, https://perma.cc/GX63-PPVB ("No counsel present. No parties present.").
[44] Court order, https://perma.cc/GX63-PPVB.
[45] Typical language included "Plaintiff is the current owner of, and/or successor to, the obligation sued upon, and was assigned all the rights, title and interest to the Defendant's [account]."
[46] Conn. Gen. Stat. § 36a-814.
[47] Form available here https://jud.ct.gov/webforms/forms/CV040.pdf. Conn. Prac. Book 24-9.
[48] Conn. Prac. Book 24-24(b)(1)(B).
[49] https://perma.cc/93Q8-42ZW.

[50] Conn. Prac. Book 24-24
[51] Service in Connecticut Small Claims can be accomplished by mail, as described in the court form explaining how to serve a defendant, https://www.jud.ct.gov/webforms/forms/CV122.pdf.
[52] *Pay to Plead, supra* n. **Error! Bookmark not defined.**, at p. 28, Fig. 4. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4611756,
[53] Case # 44. We could not find an explicit rule that requires this.
[54] CT Practice Book Sec. 17-21 requires that "[a]n affidavit must be filed in every case in which there is a nonappearing defendant, either (1) stating that such defendant is in military service, within the meaning of the Servicemembers Civil Relief Act, or that the plaintiff is unable to determine whether or not such defendant is in such service, or (2) setting forth facts showing that such defendant is not in such service." The rule does not have a timing requirement, but from reviewing many Connecticut cases, the authors have observed that magistrates regularly require updated affidavits if the ones on the docket are older than a month.
[55] Case # 27, https://civilinquiry.jud.ct.gov/DocumentInquiry/DocumentInquiry.aspx?DocumentNo=26351579.
[56] *Id.*
[57] https://www.jud.ct.gov/smallclaims.htm. Future work may include analysis of the small claims records once researchers have migrated the variable names and merged the two databases.
[58] https://www.jud.ct.gov/external/super/courtfee.htm.
[59] If p is the probability that a debt buyer is in full compliance (fraction of buyers in compliance), then (1-p)^88 is the probability one would observe 88 consecutive violations. If we let p=0.05, we get 1%.
[60] If debt buyers complied 20% of the time (still quite bad), we would expect this result in fewer than 0.000000003 (that's 8 zeroes) percent of the time.
[61] State of Connecticut Judicial Branch: Appointment of Magistrates, https://jud.ct.gov/Magistrate/Appointment/apptmagistrate.htm. Conn. Gen. Stats. 51-193l-193u.
[62] *Id.*
[63] Debt Collection Reform Checklist Generator, https://www.ncsc.org/consulting-and-research/areas-of-expertise/access-to-justice/tech-assistance.
[64] 71 Conn. L.J. 45, 154B.
[65] Conn. Prac. Book 17-25.
[66] Conn. Gen. Stat. § 36a-813(a).
[67] "In order for the judicial authority to render any judgment pursuant to this section at the time set for entering a judgment whether by default, stipulation or other method, the following affidavits must have been filed by the plaintiff…" Conn. Prac. Book 24-24(b).
[68] The plaintiff shall file a motion for default for failure to appear, judgment and, if applicable, an order for weekly payments. The motion shall have attached to it an affidavit of debt, a military affidavit, a bill of costs and a proposed judgment and notice to all parties." Conn. Prac. Book 17-25.
[69] Note that the Small Claims Writ which initiates a small claims suit in Connecticut can serve as the affidavit of debt if it is signed by plaintiff or its representative (but not its attorney), and "sets forth either the amount due or the principal owed as of the date of the writ and contains an itemization of interest, attorney's fees and other lawful charges." Conn. Prac. Book 24-24.
[70] Conn. Prac. Book 24-24(b)(1)(A).
[71] Conn. Prac. Book 24-24(b)(1)(A).
[72] This section starts with "the consumer collection agency shall file with the court evidence in accordance with the rules of the Superior Court to establish the amount and nature of the debt prior to the court's entry of a judgment against the consumer debtor." Conn. Gen. Stat. § 36a-813(a). The rules of the Superior Court require an affidavit signed by the plaintiff or a representative of the plaintiff that is not the plaintiff's attorney. Given that the following section (regarding default judgments) specifically refers to a sworn affidavit, a fair reading of the statute would not require that this information be provided in a sworn affidavit.
[73] Conn. Prac. Book 24-24.
[74] Conn Prac. Book 17-25.
[75] 71 Conn. L.J. 45, 155B.
[76] Conn. Gen. Stat. § 36a-813(b)(5).
[77] Conn. Prac. Book 24-24.
[78] Conn Prac. Book 17-25.
[79] "The writ is to be signed by either the plaintiff, or representative, under oath." CT R. Super Ct. Civ. Sec. 24-9, 2023 CT Practice Book.
[80] Conn. Prac. Book 24-24(b)(1)(B); 71 Conn. L.J. 45, 143B.