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Consumer Debt Reform Impact in Washington, D.C.

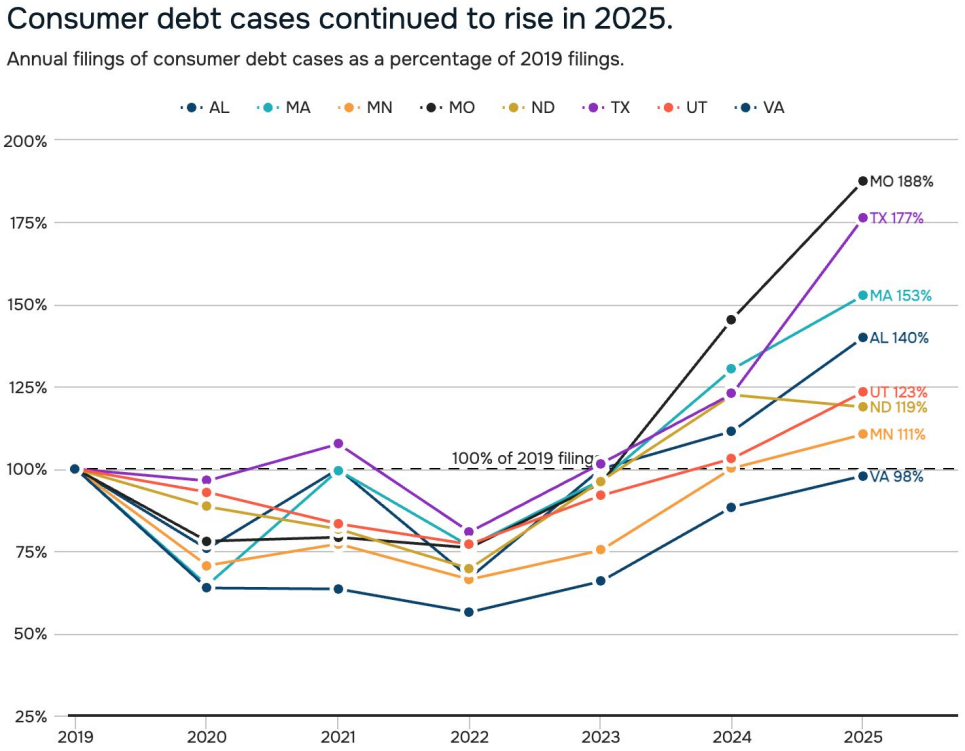
November 2026

Consumer debt lawsuits are on the rise

After a brief pause during the pandemic, the number of consumer debt lawsuits has increased around the country.

These lawsuits are over common debts such as credit card, medical, and utility debt.

Increasingly, these debts are bought and filed by third-party debt buyers who use the courts to collect, often through wage and bank garnishment.



Sources: Data comes from the Debt Collection Lab and other state civil court data systems.

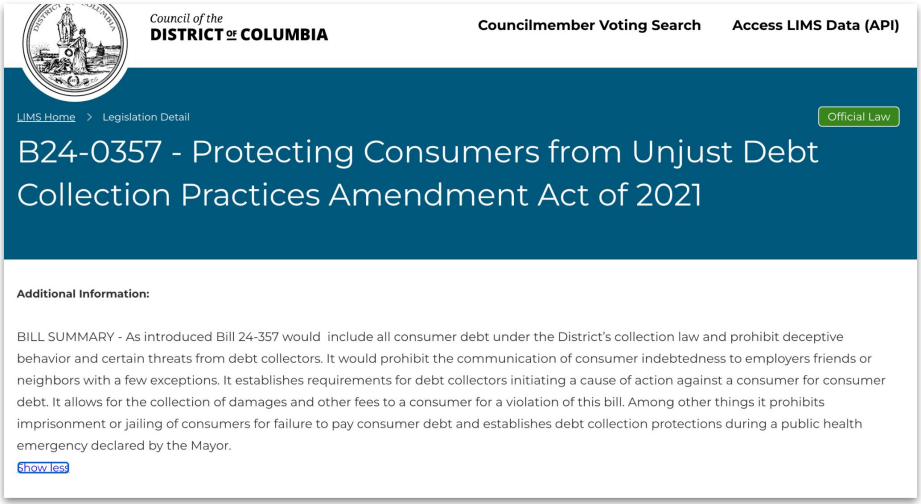
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Consumer debt reform in Washington, DC

During the pandemic (2020-2022) DC had a moratorium on most consumer debt collection lawsuits.

In 2021 and 2022, they passed a series of reforms that targeted consumer debt. Among other things, it required:

- Debt collectors to document the debt at filing
- Verify the defendant's address and photograph service with GPS coordinates
- Expanded consumers' right to act when collectors break the rules



https://lims.dccouncil.gov/Legislation/B24-0357

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About the data

January Advisors collected the DC data through **DC Superior Court**'s public civil case look-up portal. It covers small claims and civil actions, filtered to business-to-consumer (B2C) debt cases by JA's standard method: 17,000+ cases across **Jan 2017–June 2026**.

We focused on **small claims cases under $10,000** for this analysis. Civil actions (over $10k) were much rarer and showed a different pattern of defendant participation and dynamics. Foreign and converted judgments were removed.

Each case carries docket detail (filing date, parties) and the full case-events timeline (service, hearings, answers, counterclaims, dispositions). We added geocoding to census tract, race and ethnicity estimates, and plaintiff classification (debt buyer vs. creditor).

Research questions

1. Did the volume and composition of debt filings change after the reform?
2. Who is filing lawsuits in the post-reform period and how has that changed?
3. Who is sued, and did the burden shift across DC's communities?
4. Are defendants served and how did that change?
5. Did defendants participate more, and did outcomes change?
6. Are there any changes post-judgment?

Key findings

- **Filings fell ~90%**. DC B2C debt filings dropped from ~5,000/year pre-reform to ~530/year after.
- **National debt buyers left**. National debt buyers (Midland, LVNV, Portfolio Recovery, Cavalry) went from majority of the docket to zero. What remains is local creditors who hold their own paperwork — credit unions, condo/HOA associations, nursing homes.
- **The burden was concentrated, and so was the relief**. Majority-Black neighborhoods held 34% of DC adults but 62% of pre-reform filings. The reform cut filings ~90% everywhere, so the biggest reductions went to the neighborhoods that had been sued most: majority-Black neighborhoods saw 61% of the total decline — a 4.3× larger reduction than majority-white neighborhoods.
- **Most cases never reach the merits, but signs of more defendant participation in remaining cases**. Non-service dismissals and default judgments dominate; defendant representation stayed low and flat (~5%) but counterclaims rose from near-zero pre-reform.

Filing patterns

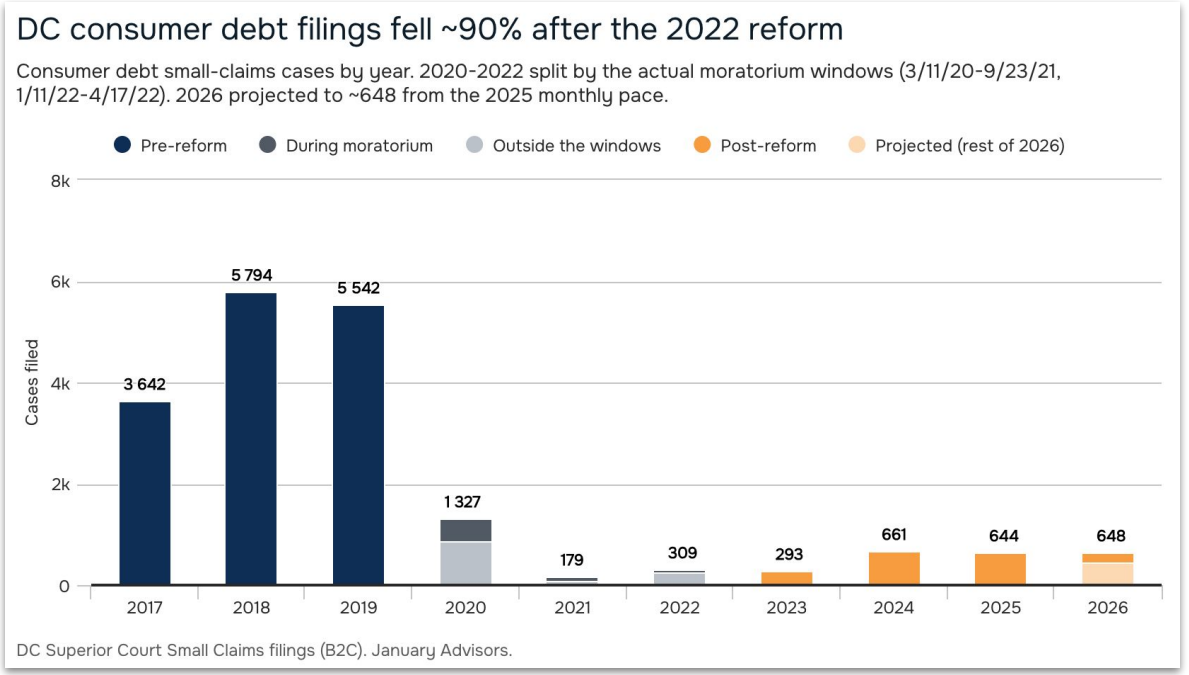
Far fewer debt cases filed in DC in post-reform era

Huge drop in filings in the post-reform era in DC.

However, we still see a slight uptick in filings in 2024 and 2025, consistent with national trends.

The filing rate dropped from 0.84 filings per 100 adults to 0.08.

The litigation rate, which measures the likelihood of being sued for those in debt, dropped from 2.98 filings per 100 adults with debt in collections to 0.36.



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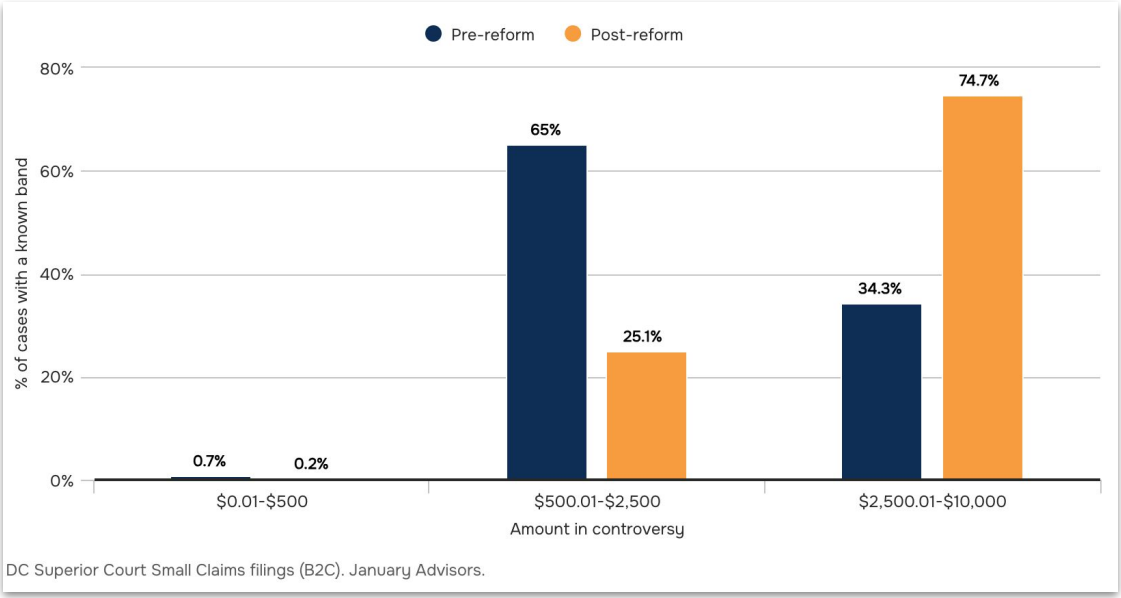
Note: Pre-reform covers cases filed 2017-2019, post-reform is 2023-June 2026).

More high-dollar cases filed post-reform

Due to changes in recording practices, we can only compare bands of AIC pre and post reform.

But we still see a huge shift: pre-reform, most cases were under $2500; post-reform, most are greater than $2500.

Post-reform, filers prioritized higher dollar-value cases in court. But also reflects disappearance in debt buyers, who tended to file low-dollar cases more often.



DC Superior Court Small Claims filings (B2C). January Advisors.

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Who is filing lawsuits?

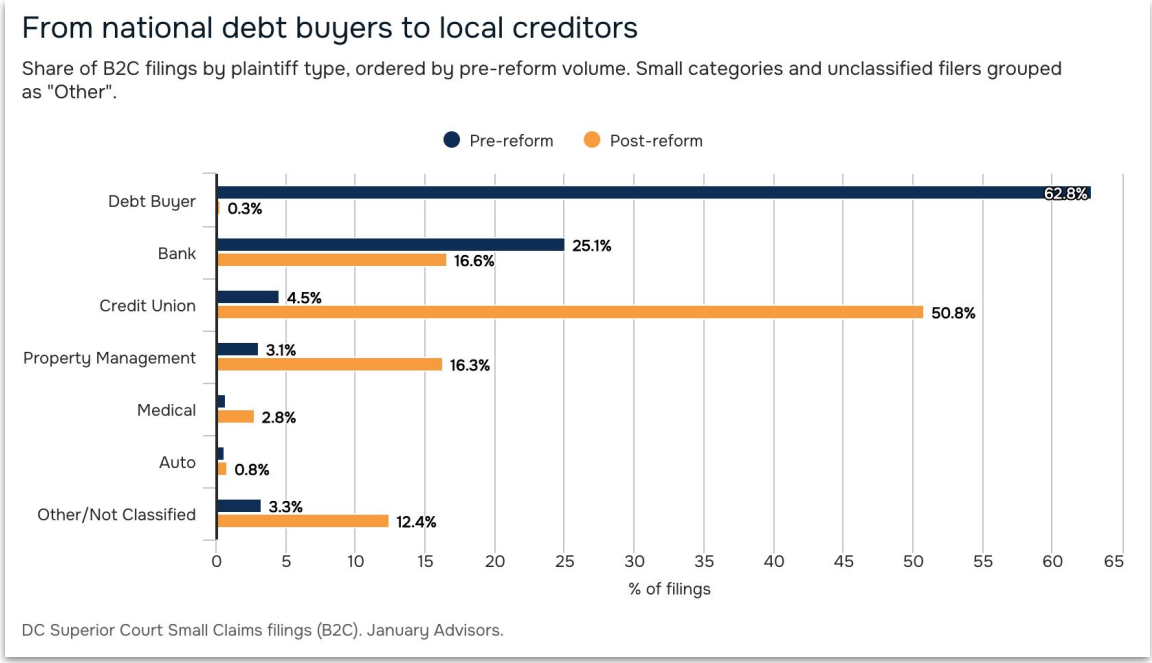
How did filer behavior change post-reform?

Debt buyers disappeared (for now)

Debt buyers dropped from filing 63% of filings to less than 1%.

National banks and credit card companies also dropped as share of filings.

While everyone dropped in absolute terms, local credit unions, property management companies, and medical providers increase their share of filings.



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Change in top filers

The top 10 filers were **82% of the docket before the reform and 58% after** — the docket both shrank and deconcentrated as the high-volume national buyers left.

Note: Pre-reform covers cases filed 2017-2019, post-reform is 2023-June 2026).

Top 10 filers, PRE-reform (2017-2019)

Rank	Plaintiff	Type	Cases	Per year	% of period
1	Midland Funding LLC	debt buyer	3855	1285	25.7
2	Capital One	bank	2314	771	15.5
3	LVNV Funding LLC	debt buyer	1763	588	11.8
4	Portfolio Recovery Associates	debt buyer	1614	538	10.8
5	Cavalry SPV	debt buyer	957	319	6.4
6	Bank Of America	bank	413	138	2.8
7	Discover Bank	bank	370	123	2.5
8	Barclays Bank	bank	345	115	2.3
9	Wharton Tech, LLC	debt buyer	336	112	2.2
10	Jefferson Capital Systems	debt buyer	235	78	1.6

Top 10 filers, POST-reform (2023-2025)

Rank	Plaintiff	Type	Cases	Per year	% of period
1	Navy Federal Credit Union	credit union	459	153	28.7
2	American Express	bank	169	56	10.6
3	Pnc Bank, National Association	bank	81	27	5.1
4	Dc Federal Credit Union	credit union	70	23	4.4
5	Wheeler Creek Community Association	property management	33	11	2.1
6	Truenergy Federal Credit Union	credit union	25	8	1.6
7	Democracy Federal Credit Union	credit union	24	8	1.5
8	Department Of Labor Federal Credit Union	credit union	20	7	1.3
9	Glenncrest Resident Association, Inc.	property management	20	7	1.3
10	Dca Capitol Hill Snf, LLC	medical	19	6	1.2

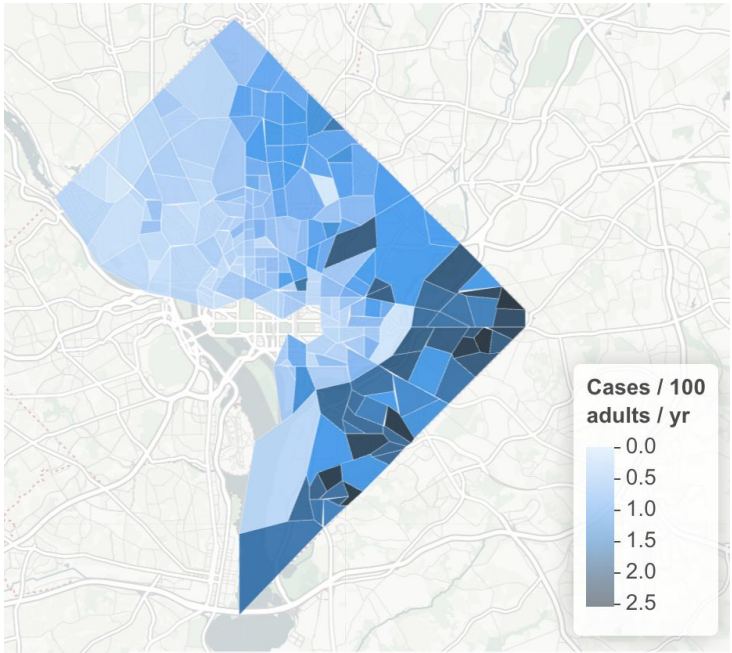
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Who is being sued?

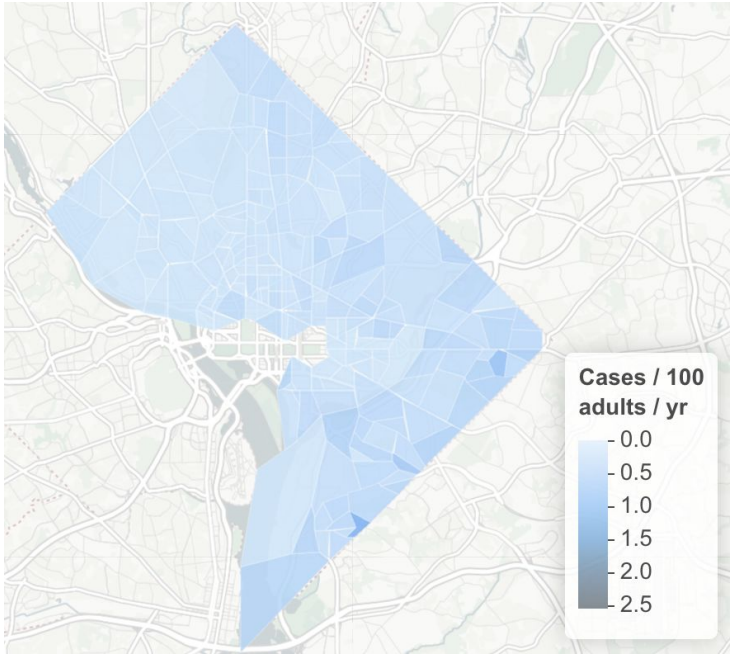
Which communities are impacted?

Filings dropped citywide

Filing rate 2017-2019



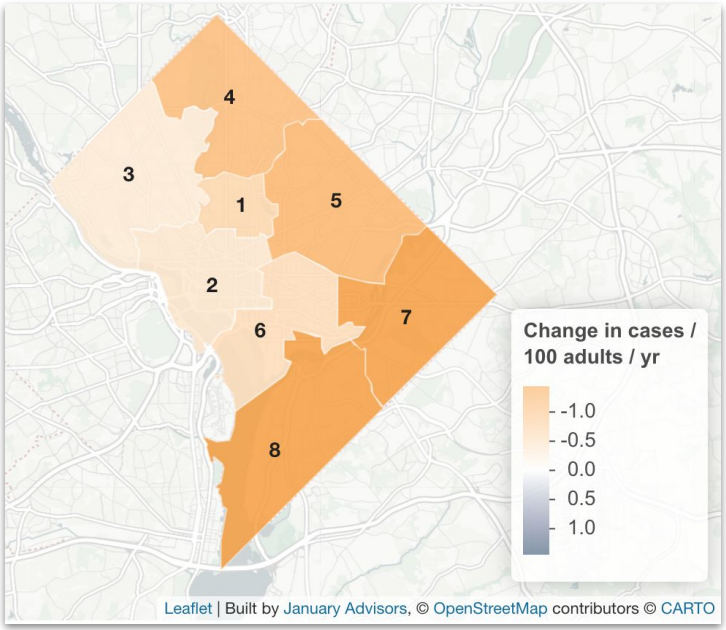
Filing rate 2023-2025

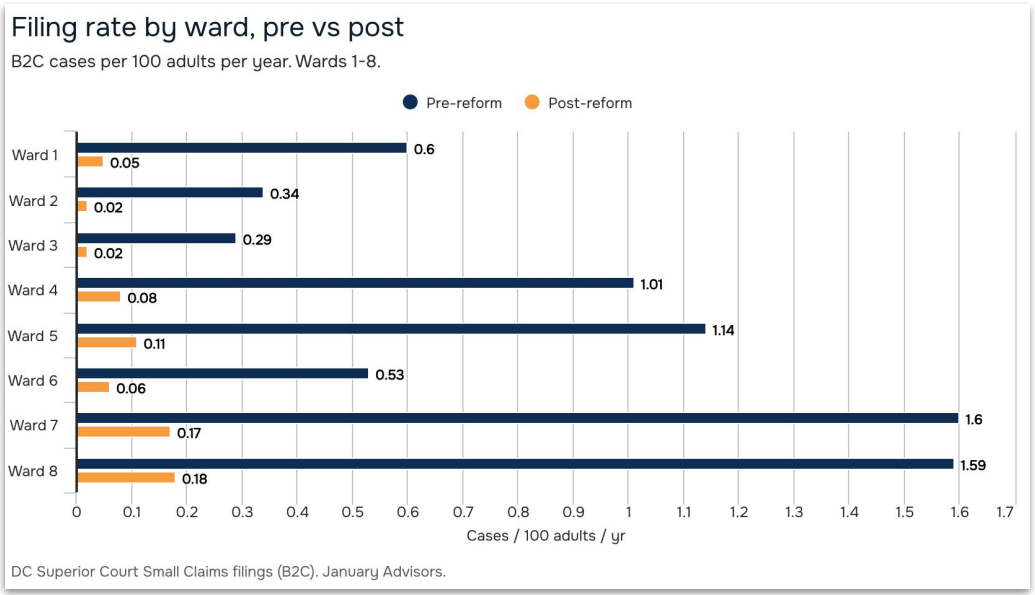


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Filings dropped across all DC wards

Change in filing rate by ward
(darker orange = larger decrease)





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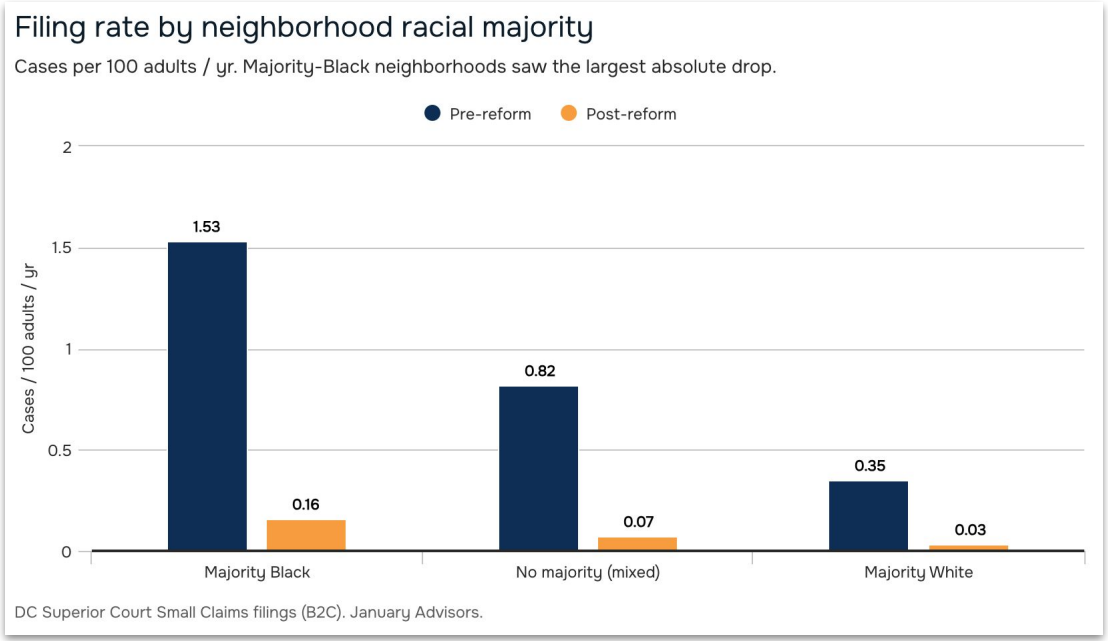
Note: Pre-reform covers cases filed 2017-2019, post-reform is 2023-June 2026).

Pre-reform, Black-majority areas see highest filings

Pre-reform, Black-majority neighborhoods 4x higher filing rate than white-majority.

The reform cut filing rates by roughly 90% across every neighborhood and group — proportionally even, not targeted.

But because the pre-reform burden was so concentrated, the largest absolute drop fell on Black and lower-income communities.

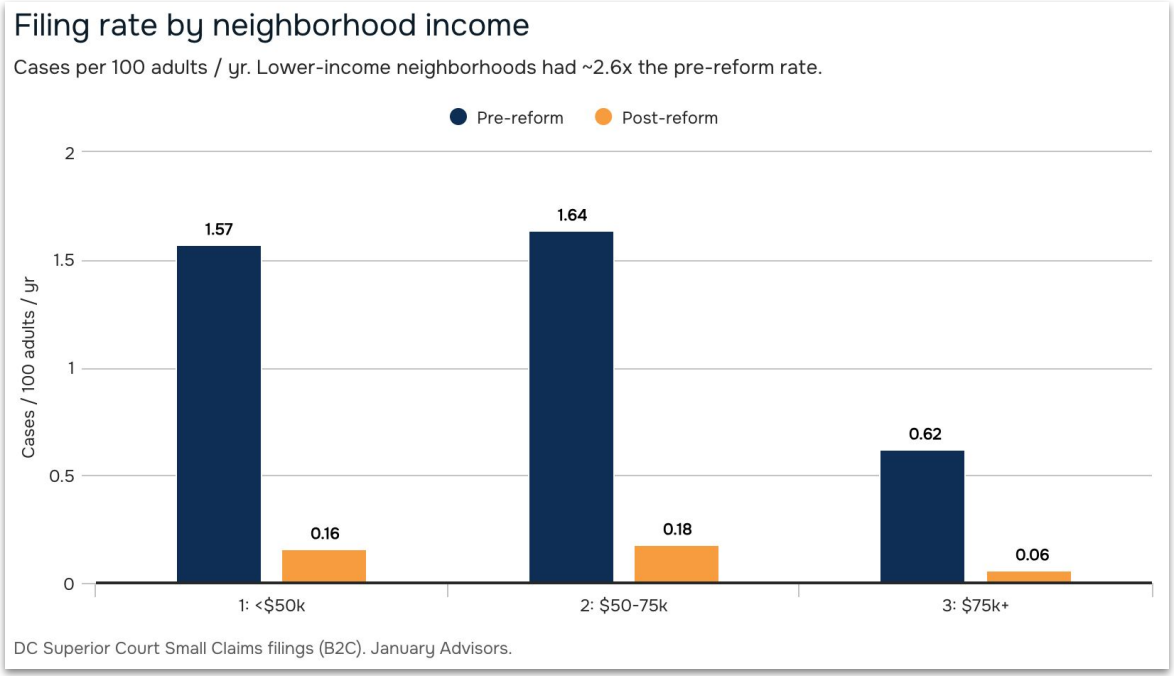


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Note: Pre-reform covers cases filed 2017-2019, post-reform is 2023-June 2026).

Lower-income communities bear brunt of consumer debt filings but much less post-reform.

Lower-income neighborhoods see 2.5x as many lawsuits as high-income neighborhoods.



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Service of process

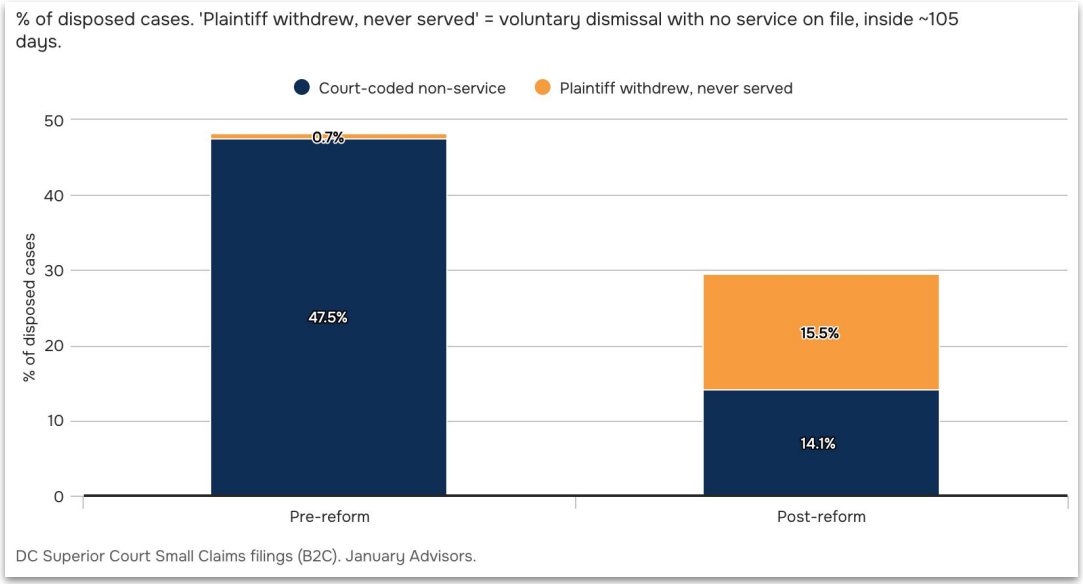
How did this change post-reform?

Dismissals for non-service less common post-reform

Before the reform, 48% of disposed cases ended this way; after, 29%.

A stricter service law might be expected to raise this rate, not lower it.

The likely explanation is the reform's requirement to verify the defendant's current address before filing: collectors now screen out hard-to-serve cases before they ever reach court.



Also of note: Rise in plaintiff withdrawals due to non-service rises in post-reform era, uncommon pre-reform.

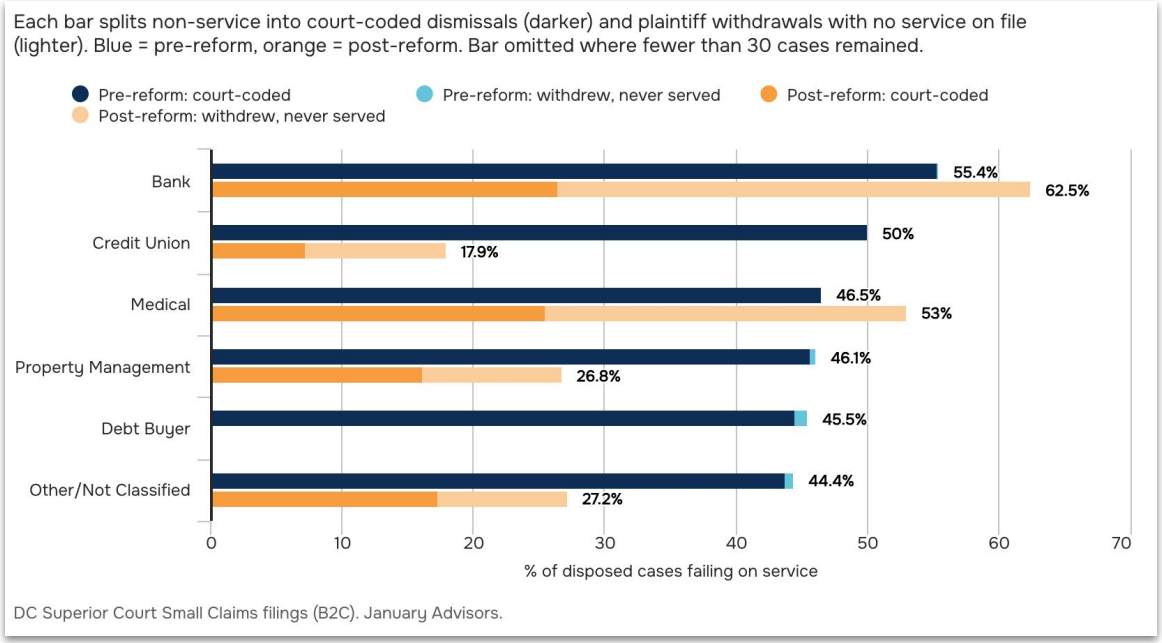
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Non-service is still an issue for some plaintiffs, but they are more likely now to withdraw cases.

Court-coded non-service dropped for all types of filers, but banks and medical providers withdrew more cases after non-service in the post-reform period.

Credit unions truly improved service and filed fewer cases that were dismissed or withdrawn due to non-service.



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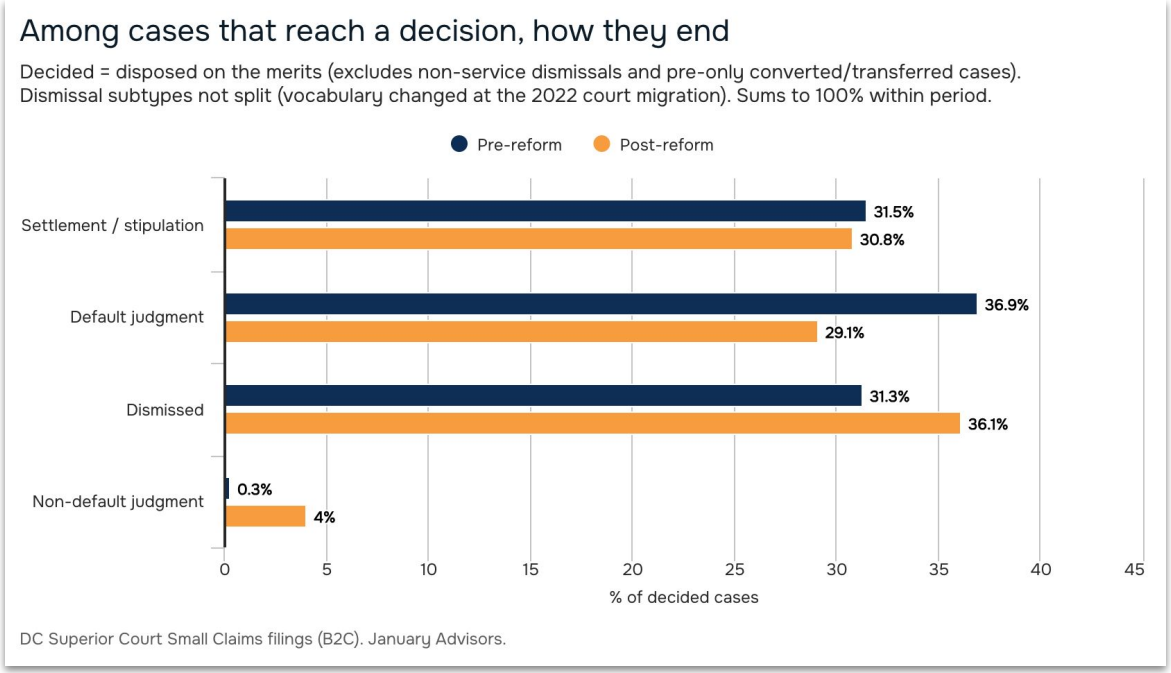
Case outcomes and defendant participation

Did the reform change who shows up and how the case ends?

Post-reform, fewer defaults and more dismissals

Default judgments fell from 36.9% of decided cases before the reform to 29.1% after.

Slight increases in Dismissals and Non-default judgments.



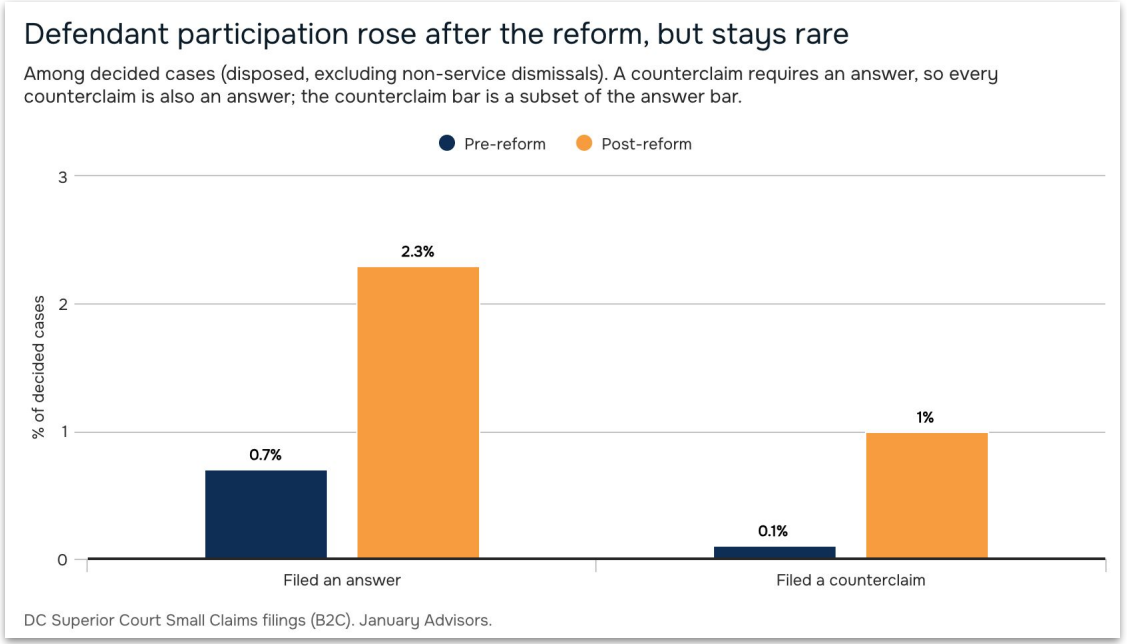
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More answers and counterclaims post-reform

Among cases decided on the merits, the share filing an answer rose from 0.7% to 2.3%, and counterclaims from 0.1% to 1% — still a minority, but a real increase consistent with the reform's expanded private right of action.

Additionally, the share of defendants who filed an answer and a counterclaim increased. Pre-reform, 16% of defendants who answered filed a counterclaim; post-reform it's 44%.



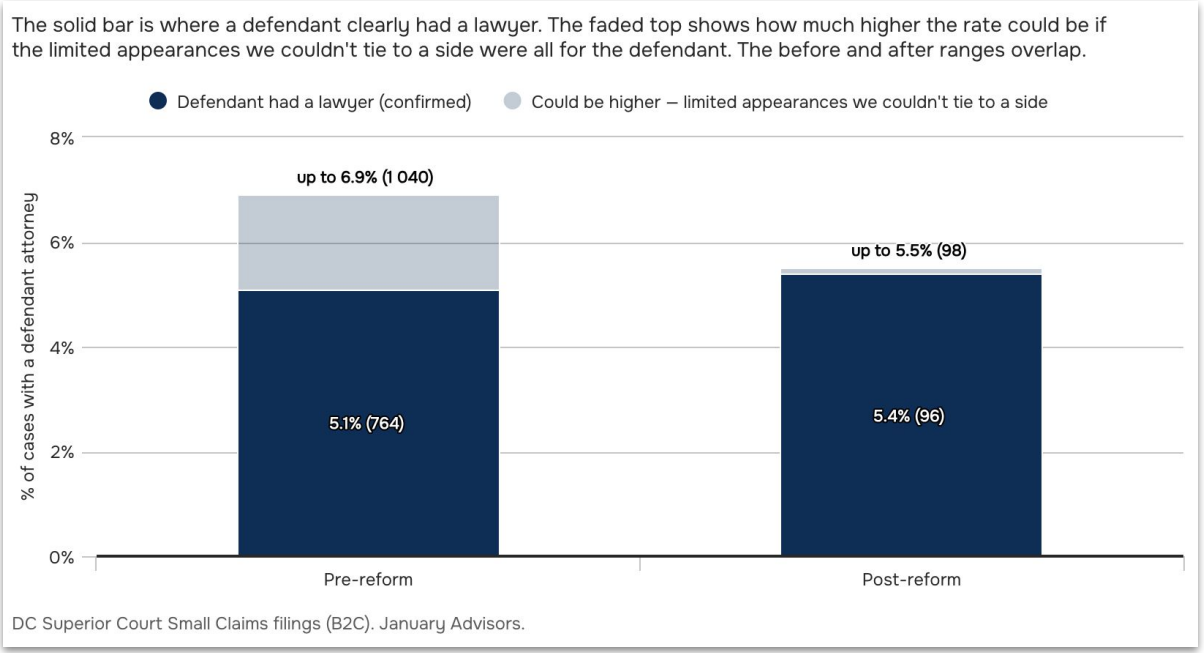
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Legal representation for defendants remains rare.

Legal representation includes full representation as will as limited appearances.

Not all limited appearances could be tied to a defendant/plaintiff.



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Note: Pre-reform covers cases filed 2017-2019, post-reform is 2023-June 2026).

Fewer garnishments filed in post-reform era

Garnishments (writs of attachment) are much rarer in post-reform cases.

Not a clean reform effect: writs come a year or more after filing, so pre-reform cases' garnishment windows fell into DC's 2019 wage-exemption law and the 2020–2022 moratorium.

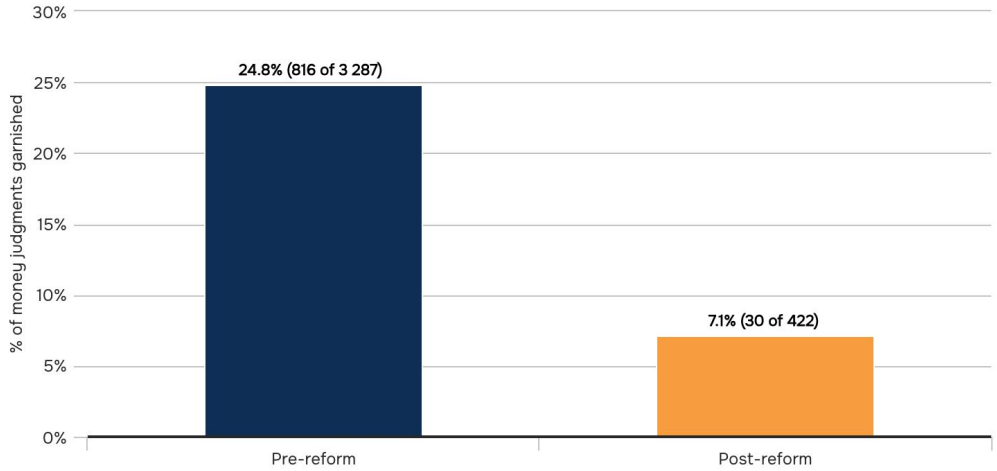
The majority of garnishments are for wages.

Garnishment type	Pre-reform	Post-reform
Wage	532 (64%)	15 (50%)
Bank account	239 (29%)	9 (30%)
Both	54 (7%)	6 (20%)
Unspecified	5 (1%)	0 (0%)

Note: Pre-reform covers cases filed 2017-2019, post-reform is 2023-June 2026).

Share of debt judgments that led to a garnishment

Money judgments with a writ of attachment against wages or a bank account. The post-reform share understates the eventual rate, because writs are usually filed one to three years after judgment and post-reform judgments are recent (see the matched-horizon table below).



DC Superior Court Small Claims filings (B2C). January Advisors.

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