

THE UNEQUAL BURDEN OF DEBT CLAIMS

Disparate Impact in California Debt
Collection Cases

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DEBT COLLECTION LAB

About the Authors

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 monthly updates to the number of debt cases being filed across the United States.

Claire Johnson Raba

Claire Johnson Raba is an Assistant Professor of Law at the University of Illinois Chicago School of Law where she researches access to civil justice and the impact of the civil legal system on low-income borrowers and their communities. At the intersection of big data, emerging legal technologies, consumer protection, and racial and social justice, her work is directed at substantively improving the experiences of self-represented litigants in state court. Professor Raba is a former legal aid attorney and a 2023-24 American Bar Foundation Access to Justice Scholar. She is a co-Principal Investigator with the Debt Collection Lab.

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The logo for Pew, consisting of the word "Pew" in a large, blue, serif font.

Executive Summary

Cases filed in California courts to collect consumer debts disproportionately burden Black and Hispanic borrowers. Data drawn from civil court records show that claims to collect defaulted consumer debts are filed at a higher rate against borrowers of color than against white borrowers. The type of creditor also varies by the borrower's race and ethnicity. Store credit card issuers and sub-prime auto lenders file claims more often against non-white than white consumers, and the case outcome distribution shows disproportionately higher rates of judgments entered against these borrowers. Data from the Urban Institute show that non-white borrowers have higher rates of accounts in default. The analysis in this study of court filings affirms that creditors proceed to collect these defaulted debts using the civil legal system and provides new information about the demographics of unrepresented consumer defendants in state court.

Findings from this study by researchers with the Debt Collection Lab show the impact of consumer debt cases filed across five years in four of California's most populous counties, Los Angeles, San Bernardino, Fresno, and Santa Clara. The report explores the impact these cases have on geographic areas populated by low-income people. Using Bayesian Improved Surname Geocoding, this study uses address and surname data to predict the race and ethnicity of consumer defendants and then compares filing rates – at the county and census tract levels – to the racial/ethnic distribution of the general population (drawn from U.S. Census American Community Survey data). Defendants with Hispanic-predicted last names are sued disproportionately in all counties studied over the study period. Black borrowers are also over-represented in the court record data, while white and Asian borrowers are underrepresented. Black and Hispanic litigants are also less likely to be represented by an attorney. The distribution of case participation and outcome also varies by race, with fewer answers filed and more judgments entered against Hispanic and Black defendants.

The disparate impact of debt collection lawsuits on Hispanic and Black Californians, and the geographic distribution of case filings and outcomes, provide important data points for California courts, legal service providers, and policymakers to better understand and serve these individuals who are not finding their way to legal assistance or to the courts.

Highlights

- Race/ethnicity predictions show an uneven distribution in the type of creditors suing defendants. Black and Hispanic defendants are more likely to be sued by third-party debt collectors, while white and Asian defendants are more likely to be sued by original creditors.
- There are race/ethnicity differences in the targets of motor vehicle financing deficiency lawsuits. Lenders that originate both prime and subprime loans sue fewer Black and Hispanic defendants while subprime lenders more frequently sue non-white borrowers.
- In predominantly white census tracts, filings against white debtors are underrepresented while those against borrowers of color are overrepresented.
- Although judgment debtors living below the federal poverty level are exempt from execution of judgment, in very low-income census tracts, debt collectors filed cases against Black and Hispanic consumers.
- Findings show a correlation between the type of creditor and the rate at which they file against defendants by race.
 - Black borrowers are sued more frequently than average to collect deficiencies on sub-prime car loans.
 - White borrowers are more likely to be sued by American Express.
 - Hispanic borrowers are disproportionately sued by debt buyers and by lenders seeking to collect on retail extensions of credit.
- While very few consumers have legal representation, rates vary by race/ethnicity. White and Asian defendants are more likely to be represented by an attorney.
- Black and Hispanic borrowers are less likely to engage with the court system by filing an answer and are more likely to have a judgment entered against them. Only 2 percent of Hispanic defendants participate in the court process.
- Post-judgment collection data shows that creditors use the court system to try to collect these judgments, subjecting borrowers to wage garnishment orders and bank levies.

INTRODUCTION

CALIFORNIA'S DISTRIBUTION OF DEBT

Hundreds of thousands of California consumers each year are sued by creditors trying to collect unpaid debts.¹ Debts that may have started as consumer transactions when borrowers took out loans or made purchases on credit, – credit cards, payday loans, or installment loans for household goods – end up in court. Other consumers are sued after a car is repossessed and sold at auction because the balance owed on the car loan exceeds the value of the car.

Consumer debts also include medical debt, private student loans, institutional debt owed to universities, and other debts for which consumers are contractually obligated for services or goods received.

Californians have types of debt that reflect the economic diversity of the state, but defaulted debts are not evenly distributed among borrowers. Defaulted debts are those that are over 180 days delinquent, and have been “charged off,” or written off as bad debt, by the issuer of credit or service provider.² When a bill goes unpaid, the creditor has a right to file a civil lawsuit in court to obtain a judgment, which is a court order entitling the creditor to obtain payment through seizure of the defendant’s assets or income. In California, as in many states, enforcement of these judgments can include bank levies, levies of personal property, wage garnishment, and the recording of a lien against real property.³ The entity that files a lawsuit in court may be the original creditor, but frequently, it is a third-party debt buyer, a company that buys who buy debts in bulk at a deep discount after they are charged off.⁴

Communities of color are more likely to have debt in collection. According to the Urban Institute’s Debt in America map, 21 percent of all Californians have debt in collections. For non-white Californians, that rate is 25 percent compared to only 15 percent for white Californians.⁵ The racial disparity in distribution of defaulted debt is more extreme in Santa Clara County, home of wealthy Silicon Valley, where only 5 percent of white communities have debt in collections, compared with 12 percent of communities of color. The disparity is less pronounced in San Bernardino County, which has high poverty rates and in which 31 percent of communities of color have debt in collection, while 26 percent of white communities do. In Fresno County, also with high poverty rates, only 14 percent of white communities carry a debt burden, compared to 32 percent of communities of color. In massive Los Angeles County, which has

close to one-quarter of the state's population, the numbers track closer to the statewide average, with 13 percent of white communities having debt in collections, compared to 25 percent of communities of color.⁶ Race/ethnicity disparities in court filings similarly reflect an unequal distribution of people who have defaulted on their debts. Many of these delinquent accounts end up in court.

CONTRIBUTORS TO RACIAL DISPARITIES IN DEFAULTED DEBT

Factors that contribute to higher rates of delinquency may include disparities in credit scores that correlate with race, leading to an unequal provision of high-cost credit.⁷ Higher-cost credit borrowers are more likely to default, creating a vicious cycle that keeps borrowers in poverty.⁸ In auto lending, subprime auto loans that are originated to borrowers with credit scores lower than 620, usually carry a high interest rate, and have a substantial risk of default. Recent data showing that 27 percent of subprime loans studied were 60 or more days delinquent.⁹

As of 2022, the persistence of the racial wealth gap continues to impact Black and Hispanic families, who have 25 cents and 23 cents, respectively, for each dollar of white family wealth.¹⁰ The history of discriminatory lending practices in the United States has created a system in which Black borrowers have been unable to build intergenerational wealth, leading to limited access to affordable credit.¹¹ During the Great Recession of 2009-2012, Black and Hispanic borrowers lost their homes to foreclosure at higher rates and saw a lower rate of homeownership rebound than white borrowers following the crisis.¹² The racial wealth gap is reflected in structural economic inequality across communities, families, and neighborhoods, and is a contributing factor in Black and Hispanic borrowers' ability to weather economic uncertainty.¹³

THE ROLE OF COURTS

The data in this study shows that Hispanic and Black borrowers are summoned to court in debt collection lawsuits at rates much higher than is proportional by population. This aligned with findings by other researchers studying litigants in state court who have looked at racial/ethnic disparities in debt collection judgments and in eviction cases.¹⁴ These defaulted debts lead to court cases filed against largely unrepresented consumer debtors, as only 2-5 percent of

consumer defendants were represented by an attorney.¹⁵ In debt collection lawsuits, the cost to hire a private lawyer may not make economic sense given the amount owed on the debt. There is a significant disconnect between people with legal problems and access to legal aid, even for low-income people who qualify for free legal services.¹⁶

Court-based debt collection processes of post-judgment collection, including wage garnishment and bank levies, result in extraction of wealth from low-income borrowers, with a disparate burden placed on non-white communities.¹⁷ A working paper by the Consumer Financial Protection Bureau found that civil debt collection judgments are concentrated census tracts with a higher proportion of Black residents and posits that states that allow for easy garnishment of wages result in more case filings and entries of judgments.¹⁸ The CFPB's analysis finds that state policies on wage garnishment correlate with debt collector behavior: a decrease in the amount garnishable decreases the number of lawsuits filed and increases the median judgment amount.¹⁹ Although California has engaged in recent legislative reforms to protect low-income defendants after judgment, the state's post-judgment collection practices during the study period placed the burden on the consumer defendant to assert a claim of exemption to wage garnishment or bank levy, creating an environment conducive to post-judgment collection.²⁰

The types of creditors using California courts to sue consumers shows disparity in cases filed by race/ethnicity. Among debt collection cases brought by original creditor plaintiffs, white borrowers are sued more frequently by national banks, while borrowers of color are sued at higher rates by issuers of predatory store credit cards and subprime auto lenders. These patterns reflect the "different worlds of debt products" offered to borrowers.²¹ Although the top filers against all consumers are third-party debt buyers Encore Capital Group (owner of debt collection companies Midland Funding and Midland Credit Management) and Portfolio Recovery Associates, the racial disparity in the rates of case filings in both third-party collector cases and original creditor claims likely reflects white borrowers' better access to prime credit products offered by mainstream banks.²²

METHODOLOGY

DOCKET-LEVEL ANALYSIS DATA COLLECTION AND ANALYSIS

This study explores racial/ethnic disparities in exposure to debt collection lawsuits across four large counties in California between 2016 and 2020. California was selected as a case study because of its geographic and demographic diversity, its large population size, and the high number of debt collection cases filed in state courts. We encourage replication of the research study design in other states and comparison against California.

This project draws from an existing data set of 2,277,507 debt collection court case records from January 1, 2009 through December 31, 2020.²³ In California's disaggregated court system, civil case data are stored in case management systems maintained by each county.

Civil court record data are publicly available through each county's website portal, maintained by third-party software companies. The public may access individual court records through these portals but not download bulk data. Researchers seeking civil court record data in bulk must automate retrieval calls to the website portals.²⁴ This is called "scraping" the public data. In California, public record scraping results in acquisition of two kinds of data:

- 1) Caption-level data include information about the case name, the court in which the case is filed, the parties, and the attorneys, and other information that designates information about the case itself; and
- 2) Docket-level data comprised of entries recording information about each document filed or event occurring in a case, such as a hearing or a trial.

Researchers identified patterns and events across time using year of filing, county, creditor plaintiff, and plaintiff attorney as key variables. Docket event measurement focused on consumer defendant engagement with the court system, case disposition, and post-judgment collection actions.

California court case management systems do not have a publicly available field for defendant addresses. However, because California requires personal service of a summons and complaint for each proof of personal service that was returned and filed with the court, an address exists for the defendant on a document that is filed with court.²⁵

In order to identify the defendant addresses, proofs of service were downloaded from counties in which documents were available at no cost, or that permit a free preview for the first page, which contains the address information. In the courts in which documents are available, documents are reliably in the system starting in 2016. Proof of service documents and proofs of service of entry of judgment were collected for cases across Los Angeles, San Bernardino, Santa Clara, and Fresno Counties from 2016-2020. Of these proofs of service, documents showing personal proof of service of a summons and complaint were selected for identification of defendant address. Personal proof of service is carried out in California by a registered process server who declares under penalty of perjury that a person was served with the documents that initiate a lawsuit.

Proofs of personal service were run through optical character recognition, and the addresses of consumer defendants at the address they were served were extracted using regular expressions with R and checked for errors and geocoded using the Bing Maps API.

RACIAL/ETHNIC PREDICTION METHODOLOGY

Civil lawsuits do not contain demographic data about the parties. When race and ethnicity data are not reported, researchers can predict these values using the available data points as proxies.²⁶ Specifically, race and ethnicity can be imputed based on geographic data and surname. This project uses Bayesian Improved Surname Geocoding (BISG), using the R library `wru` version 1.0.1, as applied to a random sample of debt collection lawsuits in the four identified counties.²⁷ BISG libraries use training data drawn from voter records and known U.S. Census data to propose a probabilistic prediction of race for each person, based on surname and geographic area.²⁸

This methodology is in use by governmental agencies and academic researchers to identify disparities in treatment. Starting in 2014 and continuing to the present, the Consumer Financial Protection Bureau has used BISG to identify discriminatory patterns in mortgage and auto lending, using this method to identify disparate impact.²⁹ In 2019 economists using BISG to look at racial disparities in debt collection found that judgments were 40 percent more likely to be entered against people in majority Black neighborhoods than in white

neighborhoods in Missouri, even after controlling for income levels, credit scores, housing values, and rates of attorney representation, and in 2020, researchers at Rutgers University and Princeton University used BISG to identify racial disparities in eviction rates.³⁰ Because BISG predicts race and ethnicity based on training data sets, it is not as accurate as self-reporting of demographic data. Researchers have found that some groups, including Black Americans, are more likely than Asian and white Americans to have their race incorrectly predicted by BISG.³¹

Of approximately 2,277,507 statewide records 1,171,685 debt collection cases (53%) were filed in Los Angeles, San Bernardino, Fresno, and Santa Clara Counties over the wider 11-year study period. These four counties provide a cross section of geography in California, as they are located in Southern California, the Inland Empire, the Central Valley, and the Bay Area. Each of these counties are also very racially diverse, with urban and suburban areas. These four counties maintained five years of electronic records and permitted access to documents filed in cases. In total, 471,127 cases were filed in these four counties during the study period for this project of 2016-2020.

FIG. 1 POPULATION (N) FROM WHICH SAMPLE WAS DRAWN

County Total Filings for Race Predict Sample

	2016	2017	2018	2019	2020	Grand To..
Fresno County Superior Cour..	4,917	5,281	7,745	8,735	5,676	32,354
Los Angeles County Superior ..	37,968	47,163	81,449	93,147	64,230	323,957
San Bernardino County Supe..	10,802	13,189	20,388	24,519	12,784	81,682
Santa Clara County Superior ..	4,537	5,230	7,943	9,188	6,236	33,134
Grand Total	58,224	70,863	117,525	135,589	88,926	471,127

San Bernardino, Fresno, and Santa Clara provided access to the full document for each proof of service, and Los Angeles County allows for a free preview of the first page of documents filed in a civil case. The address of the person served is the on the first page of the standard proof of service in California, creating an opportunity to extract address data and map the predicted race of individuals sued in Los Angeles County in addition to the other three sample set counties. A random sample was used because it is cost-prohibitive to obtain copies of all proofs of service where courts, such as Los Angeles County Superior Court, require the completion of a Captcha before a document can be downloaded.

FIG. 2 SAMPLE (n) OF RECORDS FROM FULL SET OF CASES

Sample Distribution of Records by County

Los Angeles County	28,115
Fresno County	3,397
San Bernardino County	3,275
Santa Clara County	3,007

A random sample of case IDs was selected from the full data set that identified 8 percent of unique case identification values. Records were pulled for this 8 percent of cases, and of the counties in which documents were available, data from 2016-2020 returned sample sizes sufficient for 95 percent confidence levels to extrapolate the race distribution in debt cases in each county.³²

The sample, once cleaned, returned 28,115 records for a POS-10 for Los Angeles County, which is a California document for a proof of personal service of the summons and complaint, initiating a debt collection lawsuit. For Fresno, the sample of 3,397 was drawn from 32,354 records, from San Bernardino, the sample of 3,275 was drawn from 81,682, and from Santa Clara the sample of 3,007 was drawn from 33,134. This comprises more than four percent of the total number of debt collection records for each county for each year studied, with a confidence value of more than 95%.³³

From this sample of the full data set for each county, addresses of consumer defendants were extracted from proofs of service using regular expressions. Addresses are necessary inputs for libraries such as wru (“who are you”) that use Bayesian Improved Surname Geocoding (BISG) to determine the predicted racial individuals residing in particular census tracts.³⁴ Using the Bing Maps API, extracted addresses were geo-coded and these locations were sent through the U.S. Census Bureau’s American Community Survey API to obtain census tract IDs. Predicted race was then determined using the wru library in the R programming language. This resulted in the identification of percentages of likelihood of predicted race for defendants in debt collection lawsuits filed in in the four sample counties during the period. Once the data was analyzed for likelihood of prediction among the predicted races, the highest predicted race was selected and keyed to the case data.³⁵ In the census tract data, a predominant race/ethnicity determination was made for each census tract by selecting the most prevalent demographic designation, and this information was merged into the debt collection case data.³⁶

Case data, including outcome information and plaintiff names, was merged from the full data set of court records for California debt collection cases. Census data at the census tract level was downloaded from the U.S. Census ACS API to obtain the race/ethnicity information for each census tract, and the median income levels of individuals residing in each tract. This data was merged into the court record data set for analysis. Data analysis, cleaning, and normalizing of data was conducted using R and Excel and data visualizations were created with Tableau and DataWrapper.³⁷

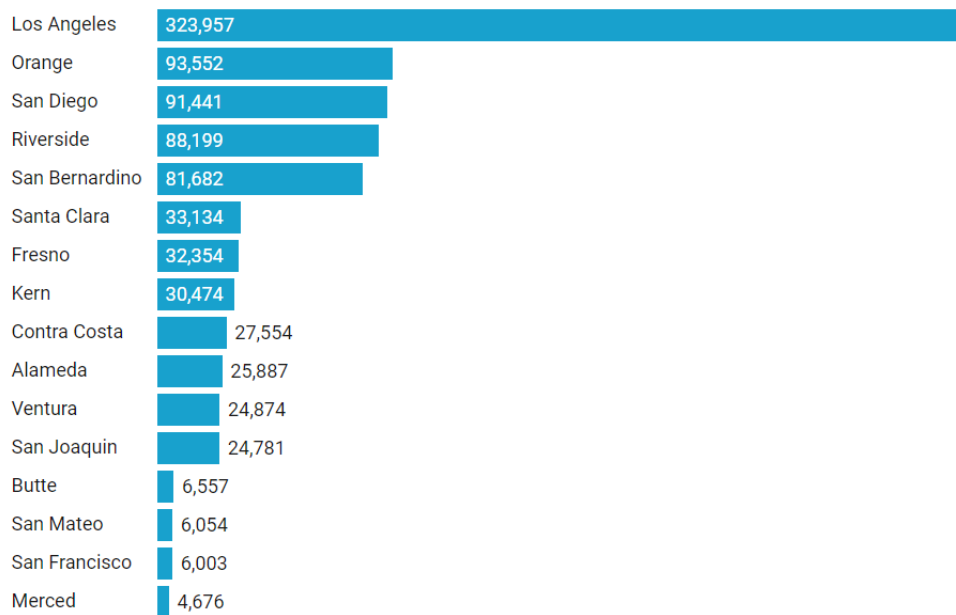
FINDINGS

FILINGS BY COUNTY:

In California, filings in Los Angeles County comprise an overall total of 36 percent of debt collection cases filed from 2016-2020. The next four highest-filing counties, Orange, San Diego, Riverside, and San Bernardino, together comprise 39 percent of total filings. Over the five-year period, this varies by year, with Los Angeles only comprising 32 percent of debt cases filed in 2016, 37 percent in 2018, and 39 percent in 2020.

FIG. 3 DEBT COLLECTION CASE FILINGS BY COUNTY OVER STUDY PERIOD

Total Debt Collection Case Filings 2016-2020 by County



[Get the data](#) · Created with [Datawrapper](#)

While the general distribution of debt cases files parallels the geographic distribution of population in California, there are some discrepancies by county. Of the counties studied, Los Angeles County is home to 30 percent of Californians, and debt collection lawsuits are over-represented in this county. A resident of Los Angeles County over the eleven-year study period had about an 8.1 percent, or a one-in-twelve, chance of being sued to collect a debt.

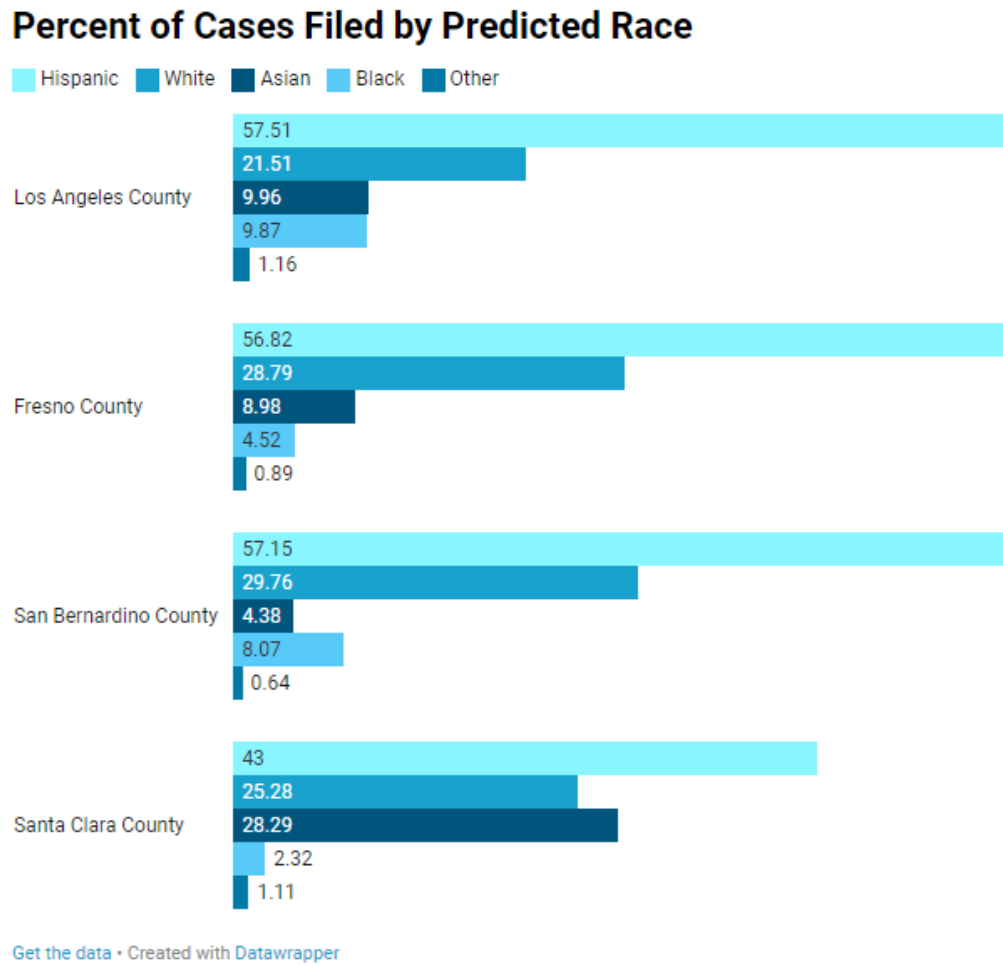
In San Bernardino County, the rate of lawsuits exceeded the percentage of population by 2.5 percent. In these counties with higher overall poverty rates, the rate of lawsuits per population was 9.3 percent, with one lawsuit filed over the study period for every 10.7 people. However, as discussed herein, this distribution is not even by race, and Hispanic and Black consumers are more likely in each of these counties to be sued than white or Asian borrowers.³⁸

In wealthier counties with a racial distribution that skews toward white and Asian residents, fewer lawsuits were filed per person and the percent of overall filings was lower. In Santa Clara Counties, lawsuits were filed at a rate about 2 percent lower than the population distribution. In this wealthier California counties, the rate of lawsuits per person is only 3.2 percent, with a 1 in 30 chance of being sued.

COUNTY RACE PREDICT - FOUR COUNTY ANALYSIS

The sample set of records, comprising between 4 and 8.6 percent of cases filed between 2016 and 2020 in the four study counties, includes individual proofs of service. Data is available by city, census tract, and county in each of the study counties. In each of the study counties, Hispanic defendants represent the greatest number of consumer defendants in California. As shown in Fig. 4 and Fig. 6, Hispanic defendants make up the majority of defendants and are overrepresented in debt collection cases in California courts by as much as 11 percent compared to comparable representation in counties by population.

FIG. 4 PREDICTED RACE OF CONSUMER DEBT DEFENDANTS IN CALIFORNIA 2016-2020 BASED ON BAYESIAN IMPROVED SURNAME GEOCODING



Analyzing the predicted race of defendants by creditor plaintiff shows a disparate distribution of cases brought against predicted Hispanic and Black defendants.³⁹ In original creditor cases, this distribution by plaintiff shows patterns in the type of credit lent by predicted race. The original creditor prime national bank credit cards disproportionately sue white defendants, with American Express bringing 39 percent of cases against white consumer defendants, Chase filing 37 percent of claims against white borrowers, and Bank of America filing more than 19 percent of cases against Asian borrowers.

**FIG. 5 PLAINTIFF CREDITOR TOP 25 FILERS AGAINST CONSUMERS BY RACE (PERCENTAGE)
CALIFORNIA DEBT CASES 2016-2020**

Plaintiff vs. Predicted Race % Heatmap (By Plaintiff)

	Predicted Race				
	Asian	Black	Hispanic	Other	White
MIDLAND CREDIT MANAGEMENT INC. & MIDLAND F..	8.59%	7.32%	59.49%	1.03%	23.58%
PORTFOLIO RECOVERY ASSOCIATES LLC	8.71%	6.45%	58.58%	0.71%	25.56%
DISCOVER BANK	14.79%	6.47%	42.86%	1.74%	34.14%
CAPITAL ONE BANK USA N.A.	11.15%	8.46%	46.79%	1.29%	32.31%
CAVALRY SPV I LLC	9.73%	6.97%	52.72%	0.69%	29.90%
BANK OF AMERICA N.A.	19.13%	6.37%	38.40%	2.44%	33.66%
TD BANK USA N.A.	6.60%	7.41%	66.85%	0.48%	18.66%
CITIBANK (SOUTH DAKOTA) N.A.	13.37%	5.86%	51.13%	1.24%	28.39%
AMERICAN EXPRESS, AMERICAN EXPRESS CENTUR..	16.38%	6.59%	36.44%	1.36%	39.23%
LVNV FUNDING LLC	10.63%	7.73%	53.72%	1.38%	26.54%
WELLS FARGO BANK, N.A.	17.86%	4.60%	40.41%	0.82%	36.31%
SYNCHRONY BANK	6.89%	13.59%	47.93%	1.40%	30.19%
UNIFUND CCR LLC	11.23%	5.36%	46.27%	1.40%	35.74%
CACH LLC	8.88%	6.55%	49.31%	0.70%	34.57%
BARCLAYS BANK DELAWARE	14.17%	8.86%	47.54%	1.13%	28.31%
ONEMAIN FINANCIAL GROUP LLC & SPRINGLEAF FI..	7.55%	12.50%	58.02%	0.42%	21.51%
FORD MOTOR CREDIT COMPANY LLC	5.09%	6.06%	51.32%	0.54%	36.99%
CHASE BANK USA N.A., JPMORGAN CHASE	13.98%	5.70%	42.57%	0.55%	37.20%
LOBEL FINANCIAL CORP	1.53%	24.31%	56.42%	2.30%	15.45%
CROWN ASSET MANAGEMENT LLC	12.69%	6.28%	48.16%	0.48%	32.39%
JEFFERSON CAPITAL SYSTEMS LLC	5.22%	12.08%	58.90%	1.14%	22.66%
VELOCITY INVESTMENTS LLC	14.42%	8.12%	46.59%	1.48%	29.40%
DEPARTMENT STORES NATIONAL BANK	13.03%	5.32%	57.03%		24.62%
CREDIT CORP SOLUTIONS INC. ASSIGNEE OF SYNCH..	7.90%	8.14%	70.77%	0.55%	12.64%
ABSOLUTE RESOLUTIONS INVESTMENTS LLC	19.47%	6.08%	47.67%	0.85%	25.93%

Sub-prime lenders are distributed with a skew toward Hispanic and Black consumer defendants. TD Bank, Target's contracted card issuer for its store credit card, the Target Red Card, files more than 67 percent of lawsuits against Hispanic defendants. Department store card and medical lender Synchrony also shows disproportionate filings against Hispanic and Black borrowers. OneMain Financial (previously known as SpringLeaf Financial Services), a sub-prime installment lender, files most of its cases against the same demographic groups. In automobile deficiency cases, Ford Motor Credit Company appears to sue more frequently white and Asian borrowers, while sub-prime auto lender Lobel Financial disproportionately sues non-white borrowers.

Fig. 6 shows the disproportionate filings of debt collection cases by county for each of the counties in the sample set. The delta of the U.S. Census Bureau's

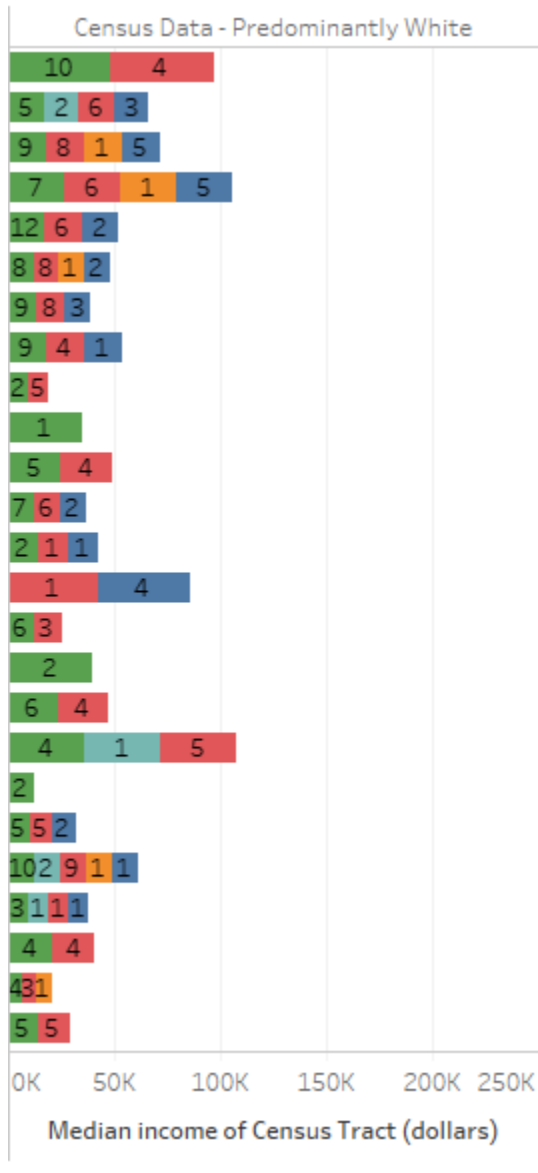
American Community Survey population distribution and percent of debt claims filed is calculated under column “D.” In yellow are county-based racial demographics overburdened by consumer debt cases by 3 percent or more. Black borrowers in Los Angeles, Santa Clara, and San Bernardino are overburdened by debt in some years by 3 or 4 percent, while white and Asian borrowers are under-burdened by a similar percentage. In Santa Clara and Los Angeles, the division is more stark, as reflects the income and racial demographics and wealth gap of this county.

FIG. 6 DISPARATE DISTRIBUTION OF CALIFORNIA DEBT CASE BY COUNTY BY YEAR.

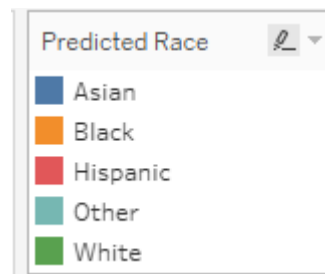
Year		LA %	ACS %	D	San Bern%	ACS %	D	Fresno %	ACS %	D	S Clara %	ACS %	D
2016	Hispanic	46.1%	48.50%	-2%	53.4%	52.80%	1%	58.5%	52.80%	6%	34.7%	25.9%	9%
	White	30.2%	26.30%	4%	36.6%	29.20%	7%	29.4%	29.90%	-1%	32.7%	32.2%	0%
	Asian	11.1%	14.40%	-3%	2.6%	6.90%	-4%	9.3%	10.30%	-1%	26.5%	35.4%	-9%
	Black	11.3%	7.80%	4%	6.8%	8.10%	-1%	2.1%	4.60%	-3%	4.1%	2.3%	2%
	Other	1.3%	0.70%	1%	0.7%	0.70%	0%	0.8%	0.60%	0%	2.0%	0.9%	1%
2017	Hispanic	54.2%	48.60%	6%	56.6%	53.40%	3%	54.1%	53.20%	1%	38.0%	25.6%	12%
	White	23.1%	26.00%	-3%	28.9%	28.40%	0%	29.7%	29.30%	0%	27.8%	31.4%	-4%
	Asian	10.0%	14.60%	-5%	5.0%	7.10%	-2%	8.8%	10.10%	-1%	29.7%	36.2%	-6%
	Black	11.5%	7.80%	4%	8.9%	7.80%	1%	6.9%	4.50%	2%	3.8%	2.4%	1%
	Other	1.2%	0.70%	1%	0.7%	0.90%	0%	0.5%	0.80%	0%	0.6%	0.8%	0%
2018	Hispanic	58.6%	48.60%	10%	57.4%	54.00%	3%	57.7%	53.50%	4%	42.1%	25.3%	17%
	White	21.2%	25.90%	-5%	30.9%	27.80%	3%	29.4%	28.90%	0%	26.9%	30.9%	-4%
	Asian	9.0%	14.60%	-6%	3.9%	7.00%	-3%	8.5%	10.20%	-2%	28.0%	37.0%	-9%
	Black	10.0%	7.80%	2%	7.3%	7.80%	0%	3.7%	4.20%	-1%	1.5%	2.4%	-1%
	Other	1.2%	0.70%	0%	0.5%	0.70%	0%	0.7%	0.40%	0%	1.5%	0.7%	1%
2019	Hispanic	58.3%	48.60%	10%	55.6%	54.40%	1%	57.4%	53.80%	4%	43.3%	25.0%	18%
	White	21.1%	25.90%	-5%	30.2%	27.10%	3%	27.1%	28.60%	-2%	23.2%	30.4%	-7%
	Asian	10.5%	14.50%	-4%	5.2%	7.70%	-3%	9.3%	10.10%	-1%	29.7%	37.6%	-8%
	Black	8.7%	7.70%	1%	8.8%	7.20%	2%	5.1%	4.40%	1%	2.9%	2.4%	1%
	Other	1.3%	0.60%	1%	0.2%	0.70%	0%	1.1%	1.10%	0%	0.8%	0.9%	0%
2020	Hispanic	59.1%	48.30%	11%	63.2%	53.80%	9%	62.4%	54.30%	8%	49.0%	25.1%	24%
	White	19.6%	25.90%	-6%	22.9%	27.60%	-5%	26.6%	28.70%	-2%	19.9%	30.6%	-11%
	Asian	9.9%	14.60%	-5%	4.5%	7.20%	-3%	7.0%	10.40%	-3%	27.9%	37.4%	-10%
	Black	10.5%	7.80%	3%	8.1%	7.70%	0%	3.1%	4.40%	-1%	1.7%	2.3%	-1%
	Other	0.9%	0.80%	0%	1.3%	0.80%	0%	0.9%	0.60%	0.3%	1.5%	0.6%	1%

CENSUS TRACT ANALYSIS

FIG. 7 FRESNO COUNTY PREDOMINANTLY WHITE CENSUS TRACTS - LAWSUITS FILED BY PREDICTED RACE



Debt collection lawsuits in the four study counties were identified by census tract identification number. A census tract is a unit of measurement created by the U.S. Census Bureau that is a small, relatively permanent statistical geographic subdivision generally made up of a population size between 1,200 and 8,000 people.⁴⁰ Data from the 2020 U.S. Census shows the median income of each census tract. The predominant race was extracted from each census tract and the filings against consumer defendants by race were overlaid on these data points.



A snapshot of census tract data shows that in predominantly white census tracts, as in Figure 7, showing 26 census tracts in Fresno, Hispanic consumers are disproportionately sued. Fresno's predominantly white census tracts have a wide distribution of median income levels; however, in most of these census tracts, more people of color than white people are sued to collect debts.

FIG. 8. LOS ANGELES COUNTY LOW- AND MODERATE-INCOME CENSUS TRACTS - LAWSUITS FILED BY PREDICTED RACE



In Figure 8, which shows 25 mostly low- to moderate-income census tracts in Los Angeles County, where Black and Hispanic borrowers make up the majority of residents, lawsuits are filed relatively evenly across the distribution of these two races, reflecting the diversity of this county. Data on debt collection lawsuits in lower-income census tracts may be helpful for correlating the

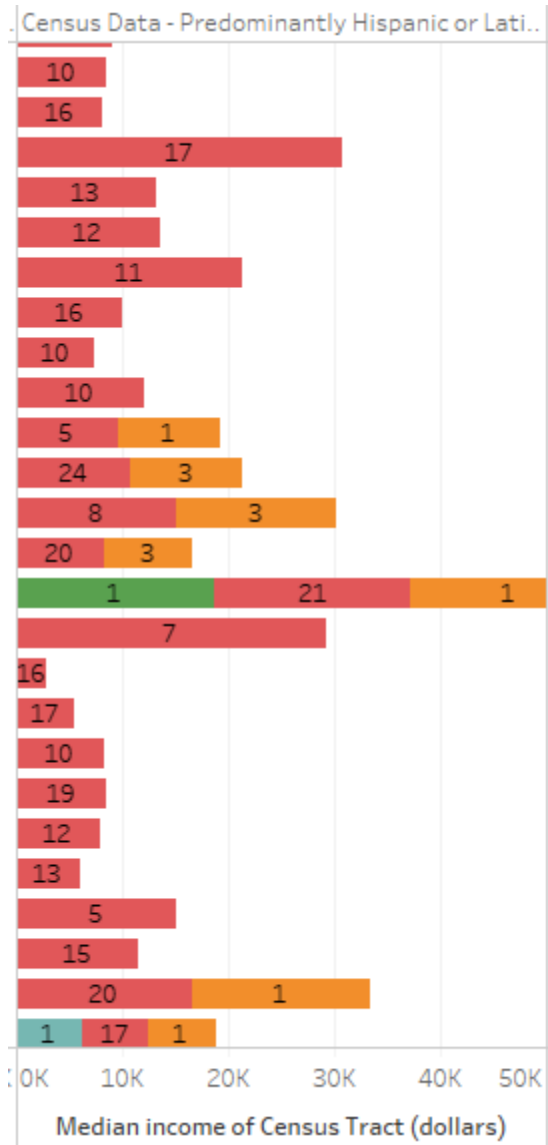
presence of debt collection cases with the prevalence of payday and storefront high-cost lenders, and the absence of community banks.

Santa Clara County's moderate income predominantly Asian census tracts show a distribution of filings by race, which may be reflective of Santa Clara County's high cost of living, which is more than double the national average, and with a housing cost 322 percent higher than the national average.⁴¹

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FIG.9 LOS ANGELES COUNTY LOW-INCOME CENSUS TRACTS: LAWSUITS FILED BY PREDICTED RACE



In some census tracts in Los Angeles County, median income levels hover at or below \$12,000 per year. Many of these households are likely below the California income-level threshold for garnishment of wages or levy of a bank account, which yields a non-collectible judgment for a creditor. Yet, these low-income consumers are being sued in court to collect debts. Fig. 9 shows many households with income levels below the federal poverty level.⁴² California has a high cost of living, which may contribute to the overburdening of low-income families with consumer debt to make ends meet. The court data, combined with census data, raises questions about the availability of predatory, high-cost credit in very low-income areas.

REPRESENTATION BY AN ATTORNEY

Attorney representation is measured by whether there is an attorney of record on file during any part of the court case and is extracted from the court case management fields for attorney and law firm. Civil procedure is complicated, and it is exceedingly difficult for litigants to navigate the court process without an attorney. Although the California courts provide some self-help guidance, unrepresented litigants are tasked with filling out complicated forms to respond the lawsuit, and then once they have responded, the litigation process may involve discovery, in which consumers must draft responses to written requests for information. Creditor plaintiff attorneys may file motions to try to resolve the

case before trial, presenting additional barriers for unrepresented consumers. Consumers who represent themselves at trial must master the rules of evidence and know how to present witness testimony. Research shows that civil litigants with lawyers are from eight to 200 times more likely to win a case than those who are unrepresented.⁴³

Rates of attorney representation do not capture the myriad ways that consumer litigants may receive help with their cases. For example, court record data does not capture assistance provided by legal aid offices or self-help centers that provide unbundled limited scope legal services or provide free legal information. In each of the counties studied, legal aid offices offer unbundled services through which consumer litigants who qualify for free legal aid with help filing an answer or understanding the next steps in their case. Having attorney representation changes the distribution of case outcomes, resulting in fewer entries of judgment and more case dismissals.⁴⁴

Creditor plaintiffs are always represented by attorneys in California civil court.⁴⁵ In the full data set of 2.2 million records, consumer defendants are unrepresented in between 95 and 99 percent of cases. In the sample set of four counties over five years, the rates of representation are slightly higher than this range, likely because this sample set only includes cases in which the plaintiff returned a proof of service, increasing the rate of engagement and the rate at which defendants sought legal assistance. Representation by counsel varies by race. Asian and white defendants are more likely to have an attorney, although the rates of representation for all races is abysmally low.

FIG. 10 ATTORNEY REPRESENTATION RATES BY RATES IN CALIFORNIA DEBT CASES.

Percent Attorney Representation by Predicted Race

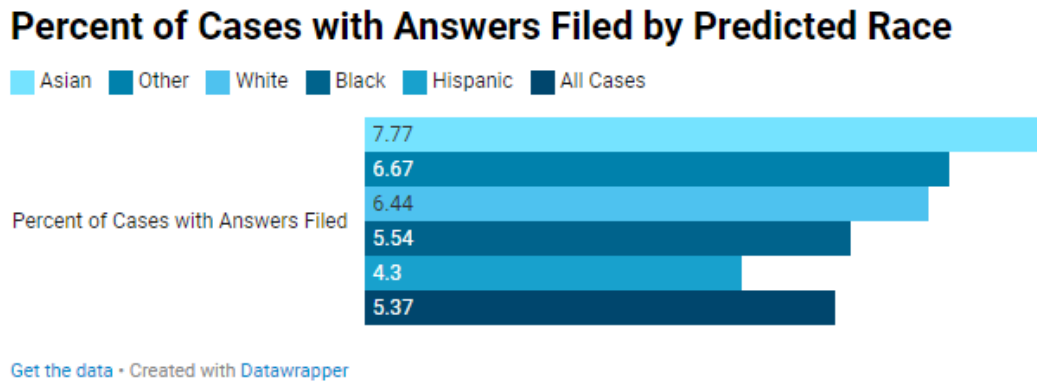
	Asian	Other	White	Black	Hispanic
Attorney Represented	5.32	4.91	3.82	2.47	2.29
Unrepresented	94.68	95.09	96.18	97.53	97.71

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White and Asian borrowers were almost twice as likely as Black and Hispanic defendants to have an attorney. White defendants in the sample were represented by an attorney in 3.82 percent of cases, while Asian defendants had counsel in 5.32 percent of claims. Black borrowers only had an attorney in

2.47 percent of cases and Hispanic defendants in 2.29 percent of cases. The rates of filing of a responsive pleading comport with rates at which consumers are represented, indicating that consumer defendants who are unrepresented have a very difficult time navigating the civil litigation system to file and answer and proceed with defending the case.

FIG. 11 ANSWERS FILED BY RACE IN CALIFORNIA DEBT CASES 2016-2020



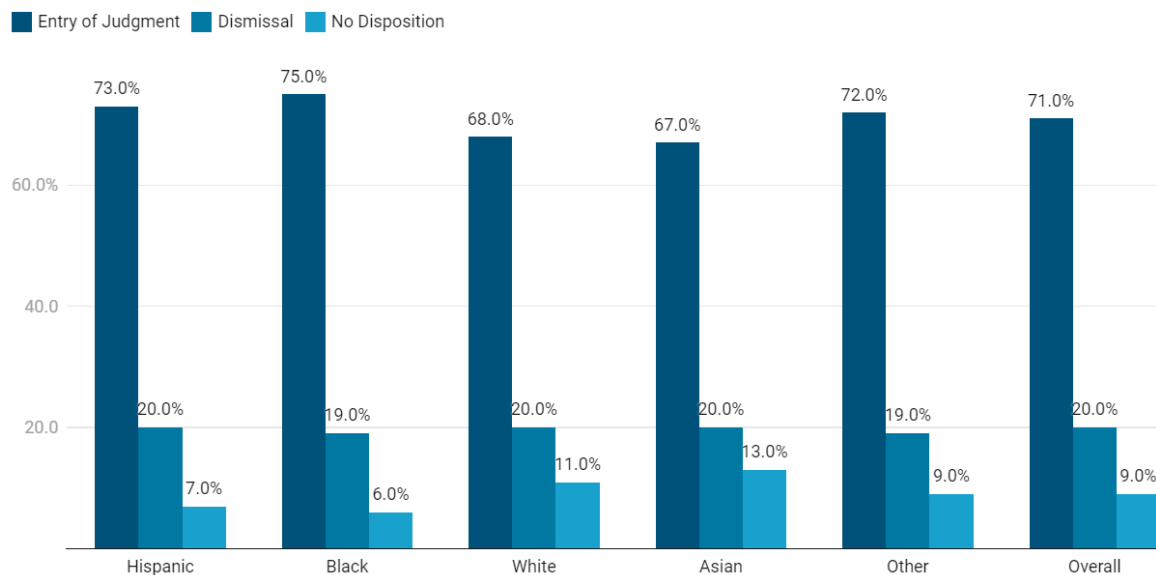
Overall, the rate of answer in the four counties studied was lower than in the full data set measured, with an average of 5.37 percent of defendants responding to the case. This is lower than the answer rate during 2016-2020 of 7 percent across the full set of California counties for which researchers have data.⁴⁶ White and Asian defendants were more than twice as likely to respond to the lawsuit by filing an answer with the court across the entire study, although these rates of defendant engagement are still very low. White and Black defendants filed an answer with the court in 5-6 percent of cases, and Asian and defendants of other races answered in 7-8 percent of matters. Hispanic defendants only filed an answer in 4.3 percent of cases.

CASE OUTCOMES BY RACE

Case outcomes show disparities by race. Debt collection cases filed against Black and Asian defendants result in judgments at a higher rate than cases filed against white and Hispanic consumers. Judgments were entered against consumers in 71 percent of cases, with dismissals in 20 percent, yet Black borrowers had judgment entered against them in 75 percent of cases, and Hispanic defendants in 73 percent. Nine percent of cases had no disposition at the time the data was collected, as the cases were still pending.

FIG. 12 CASE DISPOSITION BY PREDICTED RACE

Case Disposition by Predicted Race



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Black and Hispanic borrowers were more likely to have judgments entered against them than the average across all records studied, while Hispanic consumers had cases end in judgment at the average rate and saw a higher rate of cases dismissed. Cases may be dismissed because a consumer negotiated a settlement or because the plaintiff was unable to serve the defendant. Cases show in the data as still pending when the case is ongoing in the court system. The higher rates of answers filed and of attorney representation likely account for some difference in the lower rate of entry of judgment for white and Asian defendants. However, this explanation does not fully explain the higher rates of entry of judgment against Black and Hispanic borrowers.

CONCLUSION

While court record data is insufficient to draw causal inferences, the exploratory data analysis conducted here shows that the California courts are used disproportionately to collect debt from Hispanic defendants. California is a multicultural, heterogeneous state, but the burden of debt collection lawsuits does not fall equally on all its residents.

California's recent legislative reforms to protect the income and assets of low-income debtors are steps in the right direction, but additional reforms are

necessary to ensure that fewer debt collection cases end in judgment against unrepresented consumers. Reforms may take the form of innovations in self-help, or in a revision of the complex processes of civil court, including a reconsideration of the burden of the filing fee required to respond to a debt case.

This study examines where debt collectors sue in California to collect defaulted debt, mapping the prevalence of debt collection lawsuits by county and census tract. The debt collection lawsuits do not exist in a vacuum. They are the result of lending practices and the relationship between race and subprime lending of high-cost credit products is a likely driver of racial disparities in debt collection lawsuits. The findings in this study are intended to spur a conversation about the origin of debt collection claims, and about the role of the courts one-sided litigation that is directed primarily at communities of color in California.

Endnotes

- ¹ Claire Johnson Raba, ONE-SIDED LITIGATION: LESSONS FROM CIVIL DOCKET DATA IN CALIFORNIA DEBT COLLECTION LAWSUITS, THE DEBT COLLECTION LAB, (2023). Previous findings from the data set used in this paper show that over 2.2 million debt collection cases were filed in California state court from 2009-2020. Across the 16 counties studied, comprising nearly 80 percent of the population of California, debt claims reached a high of 303,509 in 2009, and spiked again in 2019 to 255,089.
- ² The Uniform Retail Credit Classification and Account Management Policy originally issued by the Office of Comptroller of Currency as OCC Bulletin 99-13 (updated by OCC Bulletin 2000-20) requires that providers of retail credit charge off closed-end loans at 120 days past due and open-end credit at 180 days past due. Uniform Retail Credit Classification and Account Management Policy, Fed. Fin. Inst. Examination Council, 65 Fed. Reg. 36903 (Jun. 12, 2000) <https://www.occ.treas.gov/news-issuances/federal-register/2000/65fr36903.pdf>.
- ³ California has engaged in legislative reform that heightens protections for low-income debtors, protecting the first \$1,851 in a consumer's bank account, and ensuring that creditors may no longer sell a home to satisfy a judgment. Senate Bill 616, Senate Bill 1200, Assembly Bill 2463, and Senate Bill 1477, all effective after the dates in this study, provide some additional protection for post-judgment debtors. S.B. 616, 2019 Legis., Reg. Sess. (Cal. 2020) (providing exemption from judgment for the "amount equal to or less than the minimum basic standard of adequate care for a family of four"); CalWORKS Program Fact Sheet, SACRAMENTO CNTY DEP'T OF HUMAN ASSISTANCE (Jan. 2023), <https://ha.saccounty.gov/benefits/Documents/CalWORKs%20Fact%20Sheet%20January%202023.pdf> (listing current "Minimum Basic Standards of Adequate Care" referenced in S.B. 616); S.B. 1200, 2022 Legis., Reg. Sess. (Cal. 2023) (limiting the number of renewals and interest rate on unpaid judgments); A.B. 2463, 2020 Legis., Reg. Sess. (Cal. 2021) (preventing the sale of real property to satisfy consumer debts under \$75,000); S.B. 1477, 2022 Legis. Reg. Sess. (Cal. 2022) (limiting the garnishment of wages).
- ⁴ Dalié Jiménez, Dirty Debts Sold Dirt Cheap, 52 HARVARD JOURNAL ON LEGISLATION 41 (2015), describing the process by which third-party debt buyer acquire defaulted debt.
- ⁵ *Debt in America: An Interactive Map*, URBAN INST., <https://apps.urban.org/features/debt-interactive-map/?type=overall&variable=totcoll> (last visited April 27, 2023).
- ⁶ *Id. Los Angeles County Quick Facts*, U.S. CENSUS BUREAU, <https://www.census.gov/quickfacts/fact/table/losangelescountycalifornia,CA/PST045221> (last visited May 12, 2023).
- ⁷ An economics paper studying racial disparity in debt collection controlled for some of these factors and still found disparities by race unexplained by these variables. Jessica LaVoice & Domonkos F. Vamossy, *Racial Disparities in Debt Collection*, CORNELL UNIV. (Oct. 7, 2019), <http://arxiv.org/abs/1910.02570>.
- ⁸ Abbye Atkinson, *Borrowing Equality*, 120 COLUM. L. REV. 1403 (2020) (discussing the false narrative that credit is a structural economic solution to poverty, and that credit is a regressive social policy for low-income borrowers when credit is used to meet household expenses).
- ⁹ Elizabeth Anne Berger, Alexander W. Butler & Erik Mayer, *Credit Where Credit is Due: Drivers of Subprime Credit* 12, 24 (June 25, 2018), available at <http://www.ssm.com/abstract=2989380>.
- ¹⁰ *Racial and Ethnic Household Wealth Trends and Wealth Inequality*, FED. RESERVE BANK OF ST. LOUIS (Nov. 29, 2022), <https://www.stlouisfed.org/institute-for-economic-equity/the-real-state-of-family-wealth/racial-and-ethnic-household-wealth>.
- ¹¹ Monica Prasad, THE LAND OF TOO MUCH: AMERICAN ABUNDANCE AND THE PARADOX OF POVERTY 222-23 (2012), discussing the impact of *de jure* credit discrimination practices on Black home ownership.

¹² Sean Veal & Jonathan Spader, *Rebounds in Homeownership Have Not Reduced the Gap for Black Homeowners*, JOINT CTR. FOR HOUSING STUDIES OF HARVARD UNIV. (July 10, 2019), <https://www.jchs.harvard.edu/blog/rebounds-in-homeownership-have-not-reduced-the-gap-for-black-homeowners>, showing that the rate of rebound as of 2016-2018 in homeownership is lowest in Black households, “the group that suffered the largest homeownership rate decline from 2004-2016.”

¹³ *Racial Disparities in Debt Collection*, *supra* note 8, positing that the high rate at which debt collection judgments are entered against Black defendants may be explained by the racial wealth gap.

¹⁴ *Id.*; Peter Hepburn, Renee Louis & Matthew Desmond, *Racial and Gender Disparities Among Evicted Americans*, 7 SOCIOLOGICAL SCI. 649 (2020); Signe-Mary McKernan et al., *Do Racial Disparities in Private Transfers Help Explain the Racial Wealth Gap? New Evidence from Longitudinal Data*, 51 DEMOGRAPHY 949, 953 (2014) (noting the importance of private transfers in wealth-building and paying for expenses following an adverse event and observing that the African American shortfall in large gifts and inheritances accounts for 12 % of the white-black racial wealth gap).

¹⁵ See Figure 10, *infra*.

¹⁶ The Legal Services Corporation Justice Gap Study finds that 92 percent of low-income people with civil legal needs are unable to obtain sufficient help from an attorney. LEGAL SERVS. CORP., THE JUSTICE GAP: THE UNMET CIVIL NEEDS OF LOW-INCOME AMERICANS 7 (Apr., 2022) (available at <https://lsc-live.app.box.com/s/xl2v2uraitobbzrhuwjtjgi0emp3myz1>).. Seventy-four percent of low-income people either thought that lawyers could not help with their legal issue, or were unsure if a lawyer could help. *Id.* A recent Institute for the Advancement of the American Legal System (IAALS) and Hague Institute for Innovation of Law (Hiil) report surveyed Americans across income levels found that consumer legal needs were among the top issues reported. JUSTICE NEEDS AND SATISFACTION IN THE UNITED STATES OF AMERICA, HAGUE INST. FOR INNOVATION OF L. 28 (2021) (available at <https://www.hiil.org/research/assessing-justice-needs-across-the-us/>).

¹⁷ The idea that courts are complicit in wealth extraction is discussed in scholarship on racial capitalism, including the work of Tonya L. Brito et al., in a discussion of how debt collection perpetuates racialized harms. Tonya L. Brito et al., *Racial Capitalism in the Civil Courts*, 122 COLUM. L. REV. 1243, 1279 (2022).

¹⁸ Scott Fulford & Éva Nagypál, CONSUMER FIN. PROTECTION BUREAU, *Using the Courts for Private Debt Collection: How Wage Garnishment Laws Affect Civil Judgments and Access to Credit*, 3-4 (Mar. 20, 2023) (available at <https://papers.ssrn.com/abstract=4394821>).

¹⁹ *Id.* at 4-5

²⁰ See note 3, *supra*.

²¹ Louise Seamster, *Black Debt, White Debt*, 18 CONTEXTS 30 (2019), noting that “good” debt and “bad” debt correlate highly with what the author calls “white debt” and “black debt,” reflective of racialized dimensions of debt. Seamster notes that “white debt promotes agency,” leading to creditworthiness, while Black debt “represents the negative balance sheet that must be worked through just to get to the starting line.”

²² TERRI FRIEDLINE, BANKING ON A REVOLUTION: WHY FINANCIAL TECHNOLOGY WON’T SAVE A BROKEN SYSTEM 175 (2020), noting that banks’ “racialization stratifies economic value and financializes everyday life in ways that advantage whites under a façade of impartiality,” observing that “risk-based modeling presumes whiteness as the first credential of responsible banking,” citing Victor Ray, *A Theory of Racialized Organizations*, 84 AM. SOCIOLOGICAL REV. 1 (2019).

²³ See Claire Johnson Raba, *One-Sided Litigation*, *supra* n. 1.

²⁴ California courts are exempt from California’s Public Records Act, which excludes judicial records at Government Code section 6252 precluding access to records of the judicial branch of the California government as defined by the California Constitution at Article VI. California Rule of Court 10.500 permits public access to court administrative records, but not to the underlying case data itself, which necessitates the scraping of civil data. CAL. RULE OF COURT § 10.500. CAL. GOV. CODE section 6250 et seq. (Deering 2023).

²⁵ Cal. Code Civ. Proc. Section 425.10 and 425.20, requiring personal or substitute service of a summons and complaint. Service by publication is only permitted upon a showing of good cause and diligent attempts at service. This process utilizes form POS-010. Service by first-class mail must be accompanied by a notice of acknowledgment of receipt, to be returned by the defendant. Cal. Code Civ. Proc. Section 425.30. This process is generally used when defendants are represented by counsel. This process is utilized using form POS-015.

²⁶ USING PUBLICLY AVAILABLE INFORMATION TO PROXY FOR UNIDENTIFIED RACE AND ETHNICITY, CONSUMER FIN. PROTECTION BUREAU 3 (2014) (available at <https://www.consumerfinance.gov/data-research/research-reports/using-publicly-available-information-to-proxy-for-unidentified-race-and-ethnicity/>).

²⁷ wru:Who are You? Bayesian Prediction of Racial Category Using Surname, First Name, Middle Name, and Geolocation, RDRR.IO <https://rdr.io/cran/wru/> (last visited May 25, 2023).

²⁸ *Id.* at 8-11.

²⁹ *RAND Bayesian Improved Surname Geocoding: Advancing Equity Through Data Science*, RAND CORP., <https://www.rand.org/health-care/tools-methods/bisg.html> (last visited May 12, 2023).

³⁰ *Racial Disparities in Debt Collection*, *supra* note 8 at 2, 7, 10, using BISG to classify zip codes as majority-Black and comparing entries of judgment in debt collection cases across a sample of 250 zip codes classified into majority-Black and majority-non-Black zip codes; *Racial and Gender Disparities among Evicted Americans* *supra* note 15. BISG was also used in a recent study by Hadi Elzayn, et al., at the Stanford Regulation, Evaluation, and Governance Lab using Bayesian Improved First Name and Surname Geocoding that found higher rates of Internal Revenue Service tax audits against Black Americans than non-Black taxpayers. Hadi Elzayn et al., *Measuring and Mitigating Racial Disparities in Tax Audits*, STANFORD INST. FOR ECON. POLICY RSCH. (Jan. 30, 2023) (available at <https://reglab.stanford.edu/publications/measuring-and-mitigating-racial-disparities-in-tax-audits/>); *see also* Jim Tankersley, *Black Americans Are Much More Likely to Face Tax Audits, Study Finds*, N.Y. TIMES (Jan. 31, 2023), <https://www.nytimes.com/2023/01/31/us/politics/black-americans-irs-tax-audits.html>.

³¹ Jeffrey W. Lockhart, Molly M. King & Christin Munsch, *Name-based demographic inference and the unequal distribution of misrecognition*, NAT HUM BEHAV 1, 2, 5 (2023), testing BISG libraries including wru against self-reported racial/ethnic categories for 19,924 scholars in the social sciences and finding that “there was dramatic variation by race/ethnicity and national origin, with Black, Middle Eastern and North African (MENA), Filipino, and self-described ‘Other’ misclassified between 55% and 80% of the time. By contrast, White, Asian, Chinese, Vietnamese, and Korean are mislabeled less than 10% of the time.”

³² Race data is available for a smaller sample size for San Joaquin, San Francisco, San Mateo, and Butte Counties, but the number of records returned was insufficient to draw statistically significant conclusions.

³³ A sample size of fewer than 500 provides a 95 percent confidence level for a data set of over 1 million records. Using a random sample size generator with the following calculations, per the calculator at <http://www.raosoft.com/samplesize.html>

$$\begin{aligned} x &= Z(c/100)2r(100-r) \\ n &= N x / ((N-1)E^2 + x) \\ E &= \text{Sqrt}[(N - n)x/n(N-1)] \end{aligned}$$

³⁴ *wru: Who are You? Bayesian Prediction of Racial Category Using Surname, First Name, Middle Name, and Geolocation*, RDRR.IO, <https://rdr.io/cran/wru/> (last visited May 12, 2023). BISG is a methodology and dataset developed by the RAND Corporation, and has been adopted since 2012 by the CFPB as a tool to proxy for race data missing in administrative data.

³⁵ Within BISG research, researchers sometimes assign allocate a case pro rata to each percent of predicted race. When we ran the wru prediction in this way, the overall percentages by county were similar to the methodology used. Below is a chart of the pro rata allocation of each case to the percentage of predicted race.

Alternate Methodology: Prediction Percentages by Study Counties

	Pred.His	Pred.Whi	Pred.Asi	Pred.Bla	Pred.Oth
Fresno County Superior C..	56.28%	25.06%	9.22%	5.28%	4.16%
Los Angeles County Super..	55.97%	19.85%	10.48%	9.62%	4.06%
San Bernardino County Su..	54.01%	28.02%	5.27%	8.53%	4.14%
Santa Clara County Superi..	42.03%	21.14%	29.51%	3.00%	4.24%

³⁷ R version 4.2.2; Excel version 2304; Tableau version 2022.4; DataWrapper <https://www.datawrapper.de/>.

³⁸ Data on population is from the 2021 American Community Survey. *American Community Survey (ACS)*, U.S. CENSUS BUREAU (May 8, 2023) <https://www.census.gov/programs-surveys/acs>.

³⁹ Figure 6, *intra*; A creditor that has targeted its high-interest loans at low-income and minority communities, Oportun, filed over 135,000 cases between 2014 and 2020 in small claims court in California. Usually debt collectors do not file in small claims court in California, because neither party is permitted to be represented by an attorney. Falling outside the data in this study, this creditor accounted for at least 15 percent of all claims filings from July 2017 through June 2018. Following an investigation by The Guardian newspaper, Oportun dismissed all pending claims in 2020 and agreed to suspend collection during the pandemic, although this pause is voluntary and the default judgments it obtained remain enforceable. Raheem Hosseini, *Exclusive: The Litigious Debt Collectors Targeting Latinos During a Pandemic*, THE GUARDIAN (Aug. 2, 2020) <https://www.theguardian.com/us-news/2020/aug/02/oportun-loans-lawsuits-latino-small-claims-california>. Oportun has expanded into 29 states, where it offers high-interest loans to people with poor credit history. *State Licenses and Disclosures*, OPORTUN, <https://oportun.com/licenses/> (last visited May 12, 2023).

⁴⁰ *Glossary: Census Tract*, U.S. CENSUS BUREAU (Apr. 11, 2022), <https://www.census.gov/programs-surveys/geography/about/glossary.html> - par textimage 13.

⁴¹ *Cost of Living Calculator: Santa Clara County, California*, PAYSCALE, <https://www.payscale.com/cost-of-living-calculator/California-Santa-Clara> (last visited May 12, 2023).

⁴² *Federal Poverty Level*, HEALTHCARE.GOV <https://www.healthcare.gov/glossary/federal-poverty-level-fpl/> (last visited May 15, 2023).

⁴³ Benefits | Civil Right to Counsel | NCCRC, http://civilrighttocounsel.org/about/the_benefits_of_counsel (last visited May 17, 2023); Rebecca L. Sandefur, *Elements of Professional Expertise: Understanding Relational and Substantive Expertise through Lawyers' Impact*, 80 AM SOCIOLOGICAL REV 909 (2015), noting "lawyers' impact is greatest when they assist in navigating relatively simple (to lawyers) procedures and where their relational expertise helps courts follow their own rules."

⁴⁴ Johnson Raba, ONE-SIDED LITIGATION, *supra*, note 1 at 34. "For these low-dollar debt collection lawsuits, it may not make financial sense for a litigant to hire an attorney, but the findings in this study show that going it alone results in consistent outcomes that favor the creditor."

⁴⁵ See note 34, *supra*, describing creditor Oportun. Until 2020, this high-cost installment loan originator that targets Hispanic/Latino consumers in California filed cases in small claims court, where neither party is permitted an attorney. *Self-Help - Basics*, CAL. CTS., <https://www.courts.ca.gov/1061.htm?rdeLocaleAttr=en> (last visited May 12, 2023). Aside from this exception, high-volume debt collection plaintiffs file in limited and unlimited civil represented by a law firm that manages the processes of e-filing, service, and litigation of the case through to dismissal or judgment.

⁴⁶ Johnson Raba, ONE-SIDED LITIGATION *supra* note 1.