

## Your Countryman Winner Dale Irwin Fights Economic Injustice

There's a reason that 2014 Vern Countryman Consumer Law Award winner Dale Irwin so passionately represents low-income consumers – he knows what it's like to be in their shoes. For more than 40 years, Irwin has dedicated his career to the cause of consumer protection, and his life story makes it easy to understand why. Growing up in a large family of limited means, Dale saw his single working mother (pictured) taken advantage of by unscrupulous lenders.

*"It's expensive to be poor."  
– Dale Irwin*



Dale Irwin (far right, back row) with his five siblings and their mother, Lydia.

### A Mother's Struggle

"It's expensive to be poor," says Irwin, recalling his mother's experience with a small loan company making loans of \$500 at 26.62% interest (the usury cap at the time). The much needed loan would be secured by her meager household goods, and lenders required her to purchase over-priced insurance on those goods as well as

expensive credit life and disability insurance, effectively boosting the interest rate into the triple digits.

"When the lender would flip the loan into a new one, the interest and insurance premiums would be rebated by the Rule of 78s," explains Irwin. "That's a formula best described in Monopoly card speak: bank makes error in bank's favor."

### A Game That's Rigged

"Businesses that profit from over-charging those in desperate straits have a vested interest in the existence of a large underclass," he continues. "Payday lenders, installment lenders, chain pawn shops, and rent-to-own furniture and TV stores thrive in poor communities and also around military bases. They make handsome profits on the backs of financially unsophisticated and desperate consumers – profits that enable them to hire powerful lobbyists to keep the game rigged."

### Fighting Injustice

How did Dale Irwin choose to fight back against those who prey on the poor? Like many of NCLC's supporters, he became an attorney and vowed to represent the people who could least afford to be cheated out of their hard-earned money. Dale has worked tirelessly on behalf of consumers in matters ranging from deceptive auto sales to interest overcharges on mortgage loans.

"In case after case, Dale Irwin has doggedly fought against corporate interests that abuse their wealth to take advantage of low-income

*continued on page 10*

## Your Support Helps Achieve Supreme Court Victory for Homeowners

In a major victory for homeowners, the Supreme Court recently affirmed that, under the Truth in Lending Act (TILA), consumers can rescind a mortgage by sending written notice to the lender within three years. TILA gives a homeowner the right to rescind a mortgage loan (other than a purchase-money mortgage) for up to three years if the lender failed to make certain key disclosures about the loan. Some courts had held that the homeowner must file suit in court within this three year period.

The Supreme Court issued a unanimous decision in *Jesinoski v. Countrywide Home Loans, Inc.*, agreeing with NCLC's amicus brief

*continued on page 5*

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# Consumer Impact

is a biannual publication of the National Consumer Law Center to inform our supporters about NCLC's advocacy. To receive *Consumer Impact* via e-mail, contact [sledonne@nclc.org](mailto:sledonne@nclc.org).



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## A Note From the Executive Director

Dear Friends,

As always, let me thank you for your tireless work on behalf of low-income consumers, as well as for your support of NCLC. As you read this issue, I know you'll be as proud as I am of the impact our advocacy is having.

Our cover story details a major victory for homeowners in a January decision issued by the Supreme Court. Your support of NCLC's work allowed us to make the case for consumers in an amicus brief. Also on the cover, please read the inspiring story of Countryman Award winner Dale Irwin. Like many of you, he works every day on behalf of consumers who deserve a fair deal.

NCLC has helped bring attention to the unfair collection and reporting of medical debt, which has led to long overdue changes at the federal level. With continuing support from our donors, we have worked in this area for years. And, after two terms as a Supreme Court appointed member of the Bankruptcy Rules committee, NCLC's John Rao shares the importance of bankruptcy laws in consumer advocacy. We also provide a roundup of important actions taken by the CFPB.

I hope you will join me at this year's Consumer Rights Litigation Conference in San Antonio. And don't miss the announcement of our new Rising Star Award which will be given at the CRLC to an outstanding consumer law attorney in the first 15 years of practice (see page 11).

These are uncertain times. NCLC's well-respected, credible voice in Washington is more critical than ever as the new Congressional leadership pushes forward with its agenda. With your support, we will continue to fight for economic opportunity for all families.

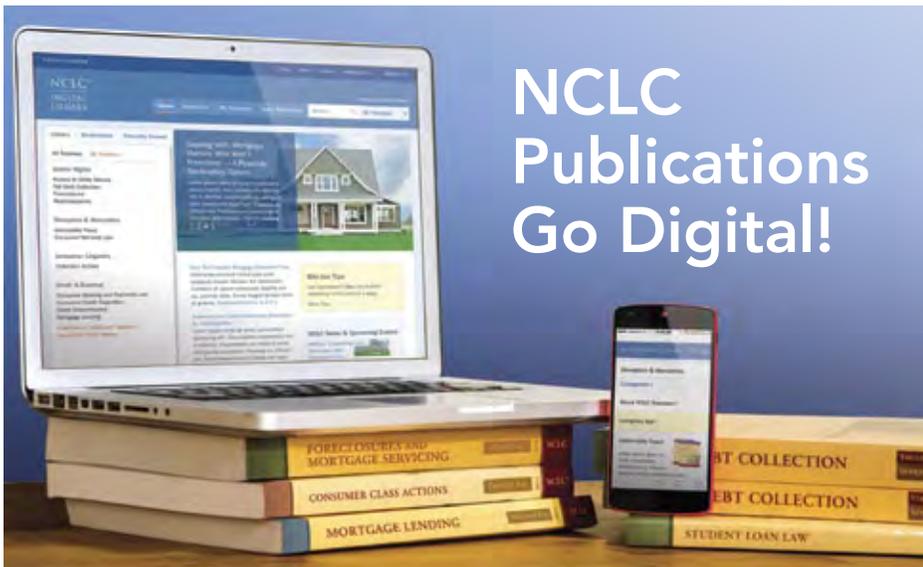
Sincerely,

Willard P. Ogburn, Executive Director



NCLC Attorney Deanne Loonin, Deputy Treasury Secretary Sarah Bloom Raskin, and NCLC Executive Director Will Ogburn at the 2014 Consumer Rights Litigation Conference.

CHAD SORIANO PHOTOGRAPHY



## NCLC Publications Go Digital!

JAMES LYNCH

Are you a devoted subscriber to NCLC's publications? New lawyers and seasoned veterans alike find that NCLC treatises keep them on top of the latest developments with expert analysis and thorough research. Now it will be even easier to access this vast resource. NCLC recently unveiled our Digital Library, offering subscribers the full text of all their treatises online! The

Digital Library allows subscribers to easily read, browse, search, and copy-paste their treatises' chapters and appendices, as well as additional primary sources and sample pleadings.

Some of the new site's features include:

- Powerful search capacity across one treatise, multiple treatises or all 20 treatises;

### How Has NCLC Helped You?

Do you rely on NCLC's publications to prepare for important cases? Or maybe attending the CRLC each year yields new ideas for your practice.

If NCLC is important to you, tell us your story. Email [cthielman@nclc.org](mailto:cthielman@nclc.org).

- Ability to search across chapters, appendices, sample pleadings and primary sources, or across just one category;
- Updates highlighted and integrated into the text, eliminating the need for separate print supplements;
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- Download, copy/paste, print, and email capacity;
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Please visit [nclc.org/library](http://nclc.org/library) or see [nclc.org/features](http://nclc.org/features) for a list of features and frequently asked questions.



SAN ANTONIO CONVENTION & VISITORS BUREAU

## Please Support Conference Scholarships!

Can you help a lawyer attend this year's Consumer Rights Litigation Conference? Funding cuts and tight budgets mean that many lawyers can only attend the CRLC with the help of a scholarship. Your gift will make a difference.

To donate, please contact Jerry Tuckman at [gtuckman@nclc.org](mailto:gtuckman@nclc.org) or donate to the scholarship fund when you register for the CRLC.

**Consumer Rights Litigation Conference**

San Antonio, Texas | November 12-15, 2015

## Cy Pres Donors August 2014 – February 2015

Many thanks to the following individuals and firms who have directed recent *cy pres* and other court awards to NCLC, allowing us to have greater impact through our shared work. Watch a brief video about NCLC and *cy pres* awards at [vimeo.com/118921026](http://vimeo.com/118921026).

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Harley J. Schnall  
Ira Spiro  
John Thomas Steinkamp  
Andrew Thomasson

## Cy Pres Supports NCLC's Advocacy

We thank the attorneys who work so hard on behalf of their clients but also help NCLC continue our work. Please consider NCLC for unclaimed funds from settlements.

### *Abigail Strubel v. Talbots Classics National Bank*

**Brian L. Bromberg** and **Jonathan R. Miller** (of the Bromberg Law Office, P.C.), **Harley J. Schnall** (of the Law Office of Harley J. Schnall), and **Michael N. Litwronik** (formerly of the Bromberg Law Office, P.C.) represented the plaintiff, Abigail Strubel, in a case filed against Talbots Classics National Bank for violations of the Truth in Lending Act. Ms. Strubel alleged that TCNB had failed to give proper notice of consumers' billing rights in its store credit-card account-opening disclosures. The parties entered into a settlement, which resulted in a high rate of cashed settlement checks – that is, more than 100,000 class members cashed their settlement checks. The *cy pres* was directed to the National Consumer Law Center.



### *Cuff v. Connex Credit Union*

**Daniel S. Blinn** (pictured) of Consumer Law Group, LLC, represented plaintiffs in this class-action case against an auto finance company. Connex Credit Union sent post-repossession notices to consumers misstating the amount they had to pay to be reinstated in their contracts. Some consumers did not receive notice of the date after which the private sale of their vehicles would occur. Class members were not obligated to pay deficiencies claimed by Connex and the tradelines were deleted from their credit reports. Connex also paid \$317,500 into a fund to benefit class members.



### *Elklaslasy v. Croyle*

**Robert W. Murphy** (pictured) directed an award to NCLC as part of this class action suit. The settlement resolved claims against collection law firms for their failure to properly disclose the rights of consumers to dispute consumer debts.

### *Fiedler v. Credit Acceptance*

Attorneys **Bernard Brown** (The Brown Law Firm) and **Dale Irwin** (Slough Connealy Irwin & Madden, LLC) represented consumers in *Fiedler v. Credit Acceptance Corporation*, a Missouri class action case which spanned nearly two decades. More than 14,800 consumers filed claims against a large national subprime car finance company, alleging overcharges and improper repossession practices.

The settlement required payment by Credit Acceptance of more than \$13 million in cash, wiped out some or all of class members' outstanding debts (more than \$70 million) to Credit Acceptance, and provided for improvements to class members' credit reports. Credit Acceptance was required to enter satisfactions of judgment on thousands of judgments it had previously obtained against consumers.

### *Rottner v. AVG Technologies*

**The Law Firm of Edelson, LLC** represented plaintiffs in a class action suit against AVG Technologies, which was accused of exploiting legitimate consumer concerns about computer performance and privacy for the sole purpose of selling software products. Through the use of misleading advertising materials, packaging materials and deceptive "diagnostic" scans, AVG represented that PC TuneUp identified and repaired a wide range of system errors, privacy and security threats, and that it would otherwise "restore [a] PC to peak performance." The parties entered into a settlement, and a *cy pres* was directed to NCLC.

## NCLC Fights for Reform of Bankruptcy Rules

“Many people don’t think of bankruptcy work in a traditional consumer law practice,” says NCLC attorney John Rao, “but in fact, NCLC has valued the important role of bankruptcy advocacy for many years.”

### Learning the Ropes

When Rao (pictured) started out as a new lawyer at Rhode Island Legal Services in 1982, he taught himself bankruptcy law from NCLC’s *Consumer Bankruptcy Law and Practice*, referred to by many attorneys as “the bankruptcy Bible.” Written by NCLC’s first Vern Countryman Consumer Law Award winner Henry Sommer, this manual is in its 10th edition.

It was 2012 when John Rao authored NCLC’s *The Other Foreclosure Crisis* report, which highlighted the predatory practice of tax lien sales in which low-income, often elderly homeowners were swindled out of their homes for back tax bills of small dollar amounts. But he remembers fighting tax lien cases even in the 1980s. “And I used the bankruptcy laws to do it,” he recalls.

### Foreclosure “Rescue” Scams

Foreclosure rescue scams were rampant. Scammers would find distressed homeowners through foreclosure notices and promise a way to save their homes. Instead, consumers would be tricked into selling or making a “leaseback” deal. Rao remembers one early client, close to foreclosure,

who suffered from severe alcoholism. Swindlers convinced him to deed his property to them from his hospital bed. With the help of bankruptcy laws – and the testimony of the client’s doctor – Rao was able to save his client’s home.

### Leading the Fight for Reform

In what he describes as “a wonderful opportunity,” Rao was appointed by Chief Justice Roberts to the federal Judicial Conference Advisory Committee on Bankruptcy Rules in 2006. When the subprime mortgage crisis hit in 2007, he was uniquely positioned to advocate for distressed homeowners.

Rao’s main goal was to fix injustices in the treatment of mortgages during Chapter 13 bankruptcies, which should allow consumers to get current on mortgages by making payments over a three-to-five-year period. “People would file for bankruptcy and do everything

years to improve the process. “Now lenders can’t foreclose if they never communicated these charges,” he says, “and consumers have the opportunity to challenge unauthorized fees. These rule changes have saved homeowners millions of dollars.”

### Sharing Knowledge and Looking Ahead

NCLC also prioritizes bankruptcy work by training attorneys around the country. Rao enjoys mentoring younger attorneys and teaching experienced attorneys new concepts, explaining: “I try to help bankruptcy lawyers understand other aspects of consumer law.”

Looking forward, John Rao says it’s critical to protect the reforms already enacted in bankruptcy regulations. “We need to make sure that we don’t lose ground.”

*“These rule changes have saved homeowners millions of dollars.”*  
– NCLC attorney John Rao

they were required to do. Their case would close and they would think their problem was resolved,” he explains. “Then a few months later they would get a bill from the lender saying they owed \$20,000 in fees and escrow account charges – but they had never been notified. They would then go back into foreclosure, which is bad not only for the consumer but for the community.”

Rao chaired a group within the Federal Rules committee that worked for three



KEN MARTINI PHOTOGRAPHY

## Supreme Court Victory... continued from page 1

that the homeowner need only notify the creditor that he or she is exercising the right to rescind within the three-year period. Drawing upon our decades of expertise in TILA, NCLC argued that a lawsuit should not be required and would impose “an additional burden on consumers” and “likely lead to additional home foreclosures and the manifold collateral harms that widespread foreclosures create for communities.”

While the Court’s decision is good news for the low-income consumers we represent, NCLC continues to advocate for additional borrower protections in mortgage lending. As the new Congressional leadership moves forward with its agenda, we are also mindful of the need to protect reforms already enacted in recent years. Thank you for the support you provide NCLC, enabling us to keep up this important work.

# CFPB Roundup

NCLC applauded the creation of the Consumer Financial Protection Bureau in the 2010 Dodd-Frank Act, and we keep CFPB regulators informed of the issues facing low-income consumers.

The leaders of the CFPB know that NCLC has a track record of strong advocacy and of doing our homework. We communicate with CFPB decision makers, publish policy reports, testify, and submit comments. These activities require the time of highly skilled advocates, and their time costs money.

*Because of your support, NCLC has a crucial impact. Here are some highlights of the CFPB's actions.*

## Prepaid Cards

Last November, the CFPB proposed rules to protect prepaid cards, which are increasingly used as a substitute for bank accounts and paper paychecks by many consumers.

The proposal includes many of the reforms that NCLC previously urged, including protections from loss and theft, improved fee transparency, tough restrictions on overdraft fees and linked credit features, and improved free access to account information. As we go to print, NCLC is working on extensive suggestions to make the proposed rules even stronger and to close loopholes for predatory lenders.

## Overdraft Fees

Banks often induce consumers who live paycheck to paycheck into paying overdraft fees, pushing them to opt for overdraft “protection” that can end up costing hundreds of dollars in charges. Fees charged on small debit card transactions can result in an APR of 17,000 percent!

The CFPB is examining the size, frequency and occasion of overdraft fees, as well as the ordering of transactions. Although Director Richard Cordray has ruled out banning overdraft fees altogether, he left open the possibility of “modifications and constraints around existing practices.”

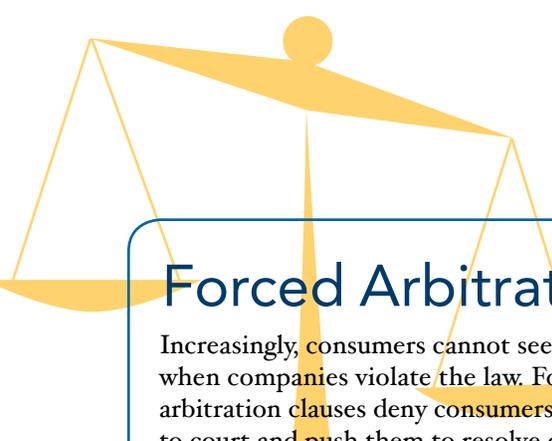
NCLC has urged the CFPB to ban overdraft fees on debit and ATM card transactions, limit the number of overdraft fees per year, make fees “reasonable and proportional” to the overdraft, and stop banks from increasing the fees charged by withdrawing large transactions made late in the day before smaller ones made earlier in the day.

## Debt Collection

Focusing greater attention on debt collection abuses, the CFPB has filed enforcement actions against a debt collection mill, payday lenders, a buy-here-pay-here used car dealer, and a furniture store that targeted service members and charged usurious interest rates.

In addition to enforcement actions, the CFPB is gearing up to write the first ever set of regulations under the Fair Debt Collection Practices Act. A proposal is expected this year.

NCLC has submitted extensive comments to the CFPB urging stronger debt collection rules. Our January 2015 report: *Zombie Debt: What the CFPB Should Do about Attempts to Collect Old Debt* called for reforms to stop collectors from pursuing consumers for debts beyond the legal statute of limitations. (For medical debt collection rule changes, see page 8.)



## Forced Arbitration

Increasingly, consumers cannot seek justice when companies violate the law. Forced arbitration clauses deny consumers access to court and push them to resolve disputes in secretive, biased, and lawless arbitration.

The Dodd-Frank Act mandated the CFPB to study forced arbitration clauses and make recommendations to Congress. Their first report on this subject was completed in 2013, and a second was recently released. NCLC has urged the CFPB to ban forced arbitration clauses in consumer contracts, and both reports provided data that supports our position.

## Payday Lending

The Dodd-Frank Act gave the CFPB important power over payday loans, one of the most abusive forms of predatory lending. Payday lenders target the most vulnerable, cash-strapped consumers with loans at rates of up to 400% or higher. Consumers cannot pay balloon payment loans when due and are forced to roll them over and over.

The CFPB has proposed the first ever federal rules to govern payday loans, and NCLC has urged that lenders be forbidden to make loans that the borrower cannot afford to repay without entering into a cycle of debt. As payday lenders attempt to evade protections, we urge the CFPB to ensure that new rules also cover high-cost installment loans and auto title loans.

## Housing

The CFPB's November 2014 proposed update to mortgage servicing regulations included several changes urged by NCLC and others, including better protections for widows, heirs, and divorced homeowners when they communicate with lenders and seek assistance keeping their homes. Rule changes are also proposed to address the transfer of mortgage loans from one company to another, the unique issues facing homeowners during bankruptcy, and the endless document requests by mortgage servicers. NCLC's extensive comments on the CFPB's proposal included support for the reforms suggested as well as recommendations to further improve the mortgage servicing landscape.

The CFPB also published a proposed rule to substantially update and expand reporting by lenders under the Home Mortgage Disclosure Act (HMDA), including the collection of strong data on manufactured housing loans and home equity lines of credit. This proposal reflects important changes sought by NCLC and many other groups.

## Student Loans

More than 40 million Americans have outstanding student loan debt, and NCLC applauds the CFPB's creation of consumer friendly tools for student loan borrowers.

The CFPB took action against two for-profit college companies based on allegations of predatory lending and other unfair, deceptive, or abusive practices which were well documented in NCLC reports.

In addition, NCLC strongly supported the CFPB's actions in late 2014 to shut down one student loan "debt relief" business and file suit against another. NCLC, one of the strongest advocates for student loan fairness, urged the CFPB to improve the student loan servicing system so that borrowers would be less likely to turn to "debt relief" scammers.

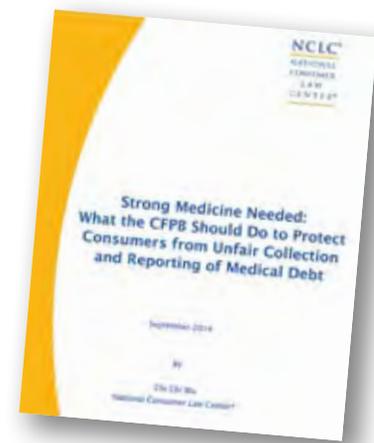
## NCLC Works for Medical Debt Rule Changes

Not everyone has a mortgage, a car loan, a student loan, or even a credit card. But everyone needs health care. For more than 40 million Americans, health care has led to medical bills being sent to debt collectors, then appearing on their credit reports, according to a recent study by the Consumer Financial Protection Bureau.

But in good news for consumers, the IRS and Treasury Department adopted new rules for the collection of medical debt early this year. Nonprofit hospitals must now take steps to determine whether patients are eligible for financial assistance before using certain collection methods. Some low-income patients must be offered discounts, free care or other financial assistance. Also, the New York Attorney General obtained a settlement that requires the credit reporting agencies to wait 180 days before including a medical debt on a credit report, to allow for time to deal with insurance disputes, and to remove any debts later paid by an insurer.

Medical debt often results from services that are involuntary, unplanned, and unpredictable. For low-income consumers without a safety net, sudden illness or an accident can cause financial catastrophe. Unpaid medical debt can lead to more than a poor credit rating – it can result in being sued, having liens placed on a home, or garnishment of wages.

NCLC's report called attention to a shockingly unfair system in which uninsured patients were charged several times more – for the same services – than those with private or even government (Medicare, Medicaid) coverage. The new IRS regulations declare that patients eligible for financial assistance cannot



be charged more than “the amounts generally billed” to those with insurance.

The CFPB endorsed the new rules, noting with the release of its recent report on medical debt that debt collection has been the top complaint the bureau has received since its inception and that medical debt “tops the list.”

The new rules are a welcome development, but Wu points out that there are still wrongs to right. The new rules only apply to bills from nonprofit hospitals, and only help consumers eligible for financial assistance. NCLC's report urges the CFPB to exert supervisory authority over medical debt collectors and to prevent the “parking” of medical debt, in which debt is placed on a consumer's credit report without an attempt to collect it. Consumers may not learn of the negative credit report information until the worst possible time – when trying to get credit for housing or a vehicle.

NCLC will continue to make medical debt collection an advocacy priority. *Read the report:* [tinyurl.com/mm7cdvv](http://tinyurl.com/mm7cdvv).



KEN MARTIN PHOTOGRAPHY

*“Medical debt wreaks enormous harm on consumers’ credit reports.”*  
– NCLC Attorney Chi Chi Wu

“Medical debt wreaks enormous harm on consumers’ credit reports,” says NCLC Attorney Chi Chi Wu, author of *Strong Medicine Needed: What the CFPB Should Do to Protect Consumers from Unfair Collection and Reporting of Medical Debt*, published by NCLC in September 2014.

## ➔ Impact Update Corinthian Colleges and the CFPB

Last September, the Consumer Financial Protection Bureau sued the for-profit school Corinthian Colleges based on allegations of predatory lending, deceptive recruitment practices, and other unfair and abusive practices.

### NCLC Helped Fuel Change

NCLC applauded the lawsuit. Our reports: *Piling It On: The Growth of Proprietary School Loans and the Consequences for Students* (2011) and *Ensuring Educational Integrity: Ten Steps to Improve State Oversight of For-Profit Schools* (2014) documented abuses detailed in the CFPB's lawsuit, including appalling debt collection tactics and deceptive for-profit school practices such as advertising

bogus job placement rates for graduates.

In February of 2015, the CFPB announced that it worked with the U.S. Department of Education and Zenith Education, which purchased many of Corinthian's campuses, to secure \$480 million in debt relief for former and current students enrolled at Corinthian-owned schools. NCLC welcomes this development. We will continue to closely follow the wind down of Corinthian, and to advocate for student borrowers who were subjected to the company's deceptive practices.

*Read the reports at:* [nclc.org/special-reports.html](http://nclc.org/special-reports.html).

Did you know that  
Americans owe more than  
**\$1 trillion** in student loans?

## Dolores Silva Smith Supports NCLC Through Planned Giving

*Dolores Silva Smith, former director of the Federal Reserve Board's Division of Consumer and Community Affairs, joined NCLC's Board of Directors in 2008.*

**Q** You are a long-time donor to NCLC. What would you say to others about donating?

**A** Get in the habit of donating to NCLC. Give something each year, whatever sum works for you. It doesn't matter how much to start with, because you will likely find yourself increasing the sum over time. The donating habit will help you realize the importance of supporting NCLC's mission – its importance to NCLC and to you.

**Q** What advice would you give about planned giving?

**A** Develop an estate plan if you don't have one. More than 10 years ago, I realized that my "last will and testament" from 1975 was pitifully out of date. After retiring from the Federal Reserve Board, I attended an estate planning seminar, then worked with an attorney and a financial advisor to make decisions for distribution of my assets after I die. We created a plan that looked after the interests of my extended family but also allowed charitable donations.

**Q** What prompted you to include NCLC in your estate plan?

**A** I included NCLC in my estate plan for the same reason that I make multi-year pledges: to make a commitment into the future. I am a great believer in NCLC's mission of advocacy on behalf of low-income consumers. I want NCLC to carry on its good work knowing there's a safety net if revenues fall.

**Q** How did you structure your planned giving?

**A** My decisions were driven by the nature of my liquid financial assets, which came mainly from 28 years' worth of contributions, matching funds, and growth to my Thrift Plan at the Federal Reserve. When I retired, I transferred funds out of the Thrift Plan into multiple IRAs, some of which my

children, grandchildren, and siblings will inherit when I die. A special IRA names NCLC as my number one beneficiary along with two other favorites: my law school, Georgetown, for making a law career possible; and George Washington University, my husband's alma mater, in his memory.

Because of minimum distributions mandated by law, the IRAs represent a depleting fund. So NCLC may get the funds during my lifetime, if I live long enough – otherwise, after my death.

**Q** How does it make you feel to support NCLC through a planned gift?

**A** I feel great about being able to support NCLC into the future. For all of my interest in looking forward,



Dolores Silva Smith and NCLC Executive Director Will Ogburn

though, sometimes it's good to look back. Last November, NCLC's Board of Directors (on which I serve) voted to establish the Willard P. Ogburn Board Designated Endowment. In December, I happily made a five-year pledge as a tribute to Will for the important contributions he made personally and through his many years of leading the Center. My pledge allows me to show the regard in which I hold Will and the National Consumer Law Center.

## Why Consider Planned Giving?

You can help NCLC by making a gift through your will, retirement plan, or life insurance policy.

**It's easy.** Helping vulnerable consumers can be as simple as adding a sentence to your existing will or filling out a life insurance form naming NCLC as a beneficiary.

### You have flexibility.

Your gift can be a percentage of assets so that it is given in proportion to other goals you wish to achieve. It can be some portion or all of a life insurance policy or retirement account.

### You have options.

Your gift can be unrestricted, or you can choose to help fund a specific area of NCLC's advocacy. You can continue your own work by advancing the work of NCLC.

### Every gift will have a profound impact.

Gifts of any size help NCLC fight to protect the rights of struggling families.

Since 1969, NCLC has been a voice for financially stressed Americans, standing up for vulnerable consumers. Please help us continue your mission by making a planned gift to NCLC.

To talk further about planned giving and NCLC, please contact Jerry Tuckman at [gtuckman@nclc.org](mailto:gtuckman@nclc.org). Watch a brief video about planned giving at [vimeo.com/114990924](https://vimeo.com/114990924).

## Adkins v. Morgan Stanley

In December 2014, the parties in the *Adkins v. Morgan Stanley* case pending in the U.S. Federal District Court in New York completed briefing and other submissions on plaintiffs' motion for class certification. The plaintiffs (represented by the ACLU, Lieff, Cabraser, Heimann & Bernstein, and NCLC) assert that Morgan Stanley's securitization and other policies caused now-defunct lender New Century to engage in reverse redlining in Greater Detroit,

placing African-American homeowners at disproportionately high risk of default and foreclosure. The filings supporting class certification include reports by experts in statistical analysis, mortgage finance, and the history of segregation in Detroit, examining the disparities between African-American and white borrowers in receiving "Combined-Risk Loans." The unsealed expert reports are available on NCLC's website at: [bit.ly/1w32lm9](http://bit.ly/1w32lm9).

### Countryman Winner...

*continued from page 1*

people," says Gregg Lombardi, executive director of Legal Aid of Western Missouri.

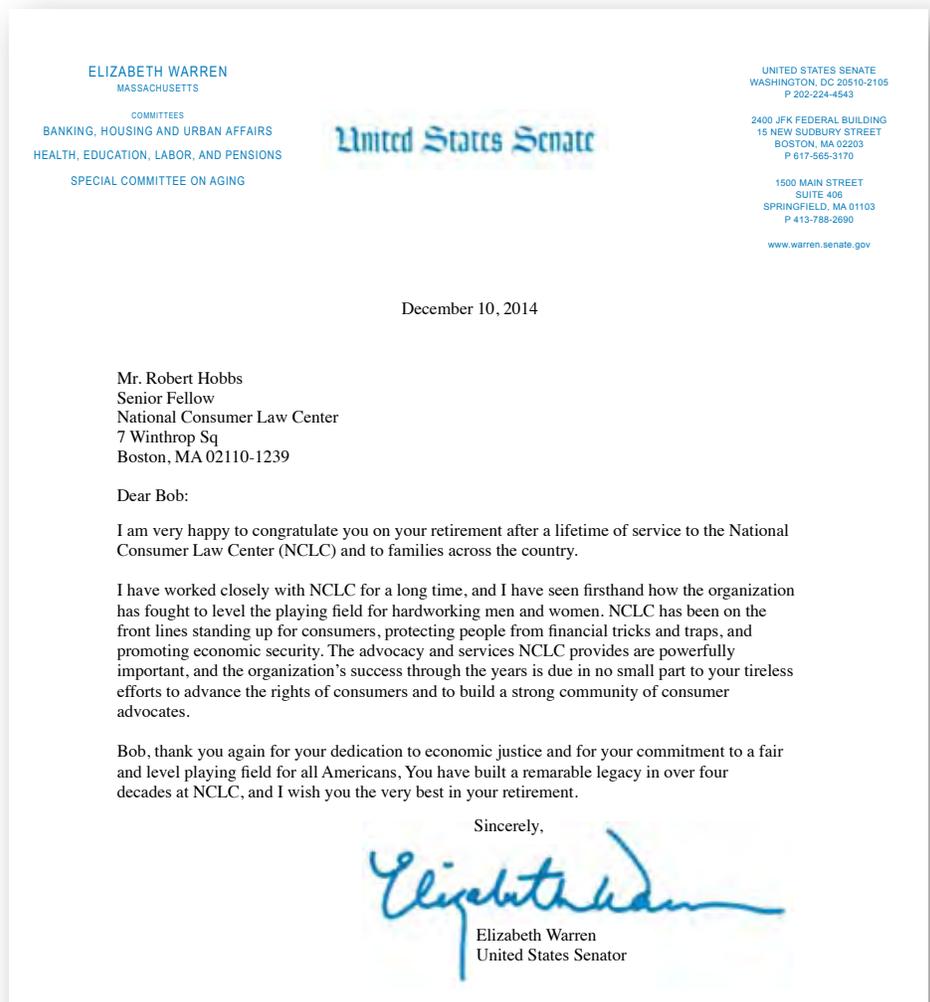
We at NCLC are always moved by the tremendous accomplishments of our Vern Countryman Award winners. Dale Irwin's life story adds a new dimension to this award, and we salute him for turning the lessons of his youth into a catalyst for economic justice.

*If you would like to nominate an outstanding consumer law attorney for the 2015 Vern Countryman Consumer Law Award, please review the nomination guidelines at: [nclc.org/about-us/countryman-award](http://nclc.org/about-us/countryman-award).*



Dale Irwin accepting the 2014 Vern Countryman Award (with Bernard Brown and Will Ogburn)

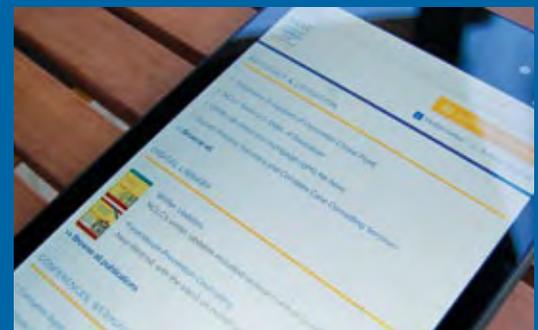
### Letter of Appreciation



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Michael L. Caddell



Cynthia B. Chapman



Marc R. Stanley

We are pleased to announce that the 2015 CRLC host committee will be chaired by Michael A. Caddell and Cynthia B. Chapman of Caddell & Chapman in Houston, and Marc R. Stanley of the Stanley Law Group in Dallas. Join us in San Antonio!

## ⇒ Impact Update

### Your Support for Energy Advocacy Pays off in California

The year 2014 brought a decisive victory for low-income tenants in California after years of hard work by our Energy team, made possible by the support of our donors. NCLC promotes cost-effective energy efficiency investments in affordable multifamily buildings through our work with state advocates, policymakers, and utility companies. These investments help owners maintain the buildings as affordable, and help tenants financially if they pay some or all of the utility bills.

For several years, NCLC was involved in litigation before the Public Utilities Commission of California, a state with several unusual barriers to delivering utility-funded energy efficiency measures in affordable multifamily housing.

“The outlook was initially bleak,” explains Charlie Harak, NCLC’s senior attorney for energy and utilities issues, “as the commissioner and administrative law judge assigned to

the case were not receptive to NCLC’s arguments.”

In 2014, however, another commissioner released an Alternate Proposed Decision (APD) which included virtually all of NCLC’s recommendations.

On August 14, 2014, the Commission formally adopted the Alternative Proposed Decision. Among other things, the decision adopted “expedited enrollment,” which is a way to

avoid having the utilities knock on each individual tenant door in a sometimes futile attempt to collect each individual’s income documentation. It also ruled that the value of housing subsidies should not be counted when determining which households are income eligible. The efforts in the past to try to obtain the value of housing subsidies caused needless delay and inefficiency.



CHANNING JOHNSON

Charlie Harak, senior attorney for energy and utilities issues

### First Rising Star Award to be Presented at CRLC!

At this year’s Consumer Rights Litigation Conference (CRLC), NCLC’s Partners Council will present its first Rising Star Award to the attorney (in practice for 15 years or less) who made the greatest contribution to consumer law within the past two years by trying or settling one or more cases with great success and significance.

“We saw a need to recognize not just well-established attorneys like NCLC’s Countryman Award winners, but also the newer members of our profession already having an impact,” says Partners Council Chair Elizabeth Cabraser.

“We look forward to highlighting an important consumer law case – and congratulating the attorney responsible – at the CRLC this fall.”

The cases won or settled by applicants may cover a broad range of consumer law, including but not limited to debt collection, credit cards, student loans, mortgage-related activity, truth in lending, auto sales or loans, bankruptcy, privacy and racial justice.

A committee appointed by the chair of the Partners Council will evaluate each nominated case based on:

- 1 The impact on consumers and consumer law;
- 2 The commitment, perseverance, and expertise of the lawyer involved;
- 3 The deleterious effects of the defendant’s conduct;
- 4 The result.

We look forward to announcing the winner this November! For more information, visit: [nclc.org/about-us/rising-star-award](http://nclc.org/about-us/rising-star-award)

National Consumer Law Center  
7 Winthrop Square, 4th Floor  
Boston, MA 02110-1245

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Advancing Fairness  
in the Marketplace for All

## **INSIDE:** Supreme Court Rules for Homeowners

*The nonprofit National Consumer Law Center<sup>®</sup> (NCLC<sup>®</sup>) works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training.*

### Snapshots from NCLC's 2014 Consumer Rights Litigation Conference

Thanks to last year's CRLC Host Committee for a great conference: Janet Varnell, Bob Murphy, and Scott Owens (co-chairs) and Craig Rothburd, Scott Jeeves, and Dan Clark (executive board). **On to San Antonio in 2015!**



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