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Attorney Liability in Lien Enforcement: The Untapped Potential of The FDCPA

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Debt is an American epidemic. The total sum of consumer debt in the United States (U.S.) is approximately $11.4 trillion dollars. From 1985 to 2007, an average households' debt increased from roughly 60% of post-tax annual income to more than 125%. During that same period, debt-to-income ratios nearly doubled. Furthermore, roughly 35% of all adults, more than 77 million Americans, hold debt that is delinquent and in collection. As a result, debt collection companies have found a viable and rapidly expanding market in debt collection. Currently, the debt-collecting industry employs nearly 500,000 people (debt purchasers) in the U.S. alone. In a study conducted by the Federal Trade Commission (FTC) between 2009 and 2012, nine of the largest buyers of defaulted debt on the secondary market acquired $143 billion in defaulted loans but paid only $6.5 billion for defaulted loan's acquisition. This acquisition cost is equal to only four cents per dollar of defaulted debt. It is debt purchaser's goal to collect as much of the remaining debt value as possible.

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