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**New Jersey Supreme Court
 Public Hearing on Proposed Court Rule Amendments and Committee Reports
 Proposed Amendments to Appendix XI-A(1) – DC Summons and Return of Service
 May 29, 2024**

Position: IN FAVOR

Chief Justice Rabner and members of the Supreme Court,

Thank you for the opportunity to speak before you today. My name is Laura Waddell, I am the Health Care Program Director at New Jersey Citizen Action a statewide coalition and grassroots membership organization that has been working for more than 40 years for social, racial and economic justice and towards a New Jersey where everyone has a voice and equal opportunities to thrive. I am also the convener of NJ For Health Care, the state's consumer health coalition committed to bringing quality, affordable health care to all New Jerseyans. Since 2008, the coalition has been a leading voice in federal and state health care reform. Our more than 70 member organizations represent over two million of our state's residents and are dedicated to working to ensure all New Jersey families who want it can access health care whenever they need it and at a price they can afford.

Today we ask the Court to approve the proposed amendment to Appendix XI-A(1) – DC Summons and Return of Service, which advises litigants of the availability of its settlement program when an answer is filed. This notice supports the program already in place by increasing knowledge of it. Settlement programs like mediation can help litigants better understand their rights, navigate the debt repayment process, avoid serious long-term consequences like bankruptcy, and more. We applaud this and the continuous efforts made by the Court to improve the fairness of consumer debt litigation.

According to the National Center for Access to Justice at Fordham University Law School, consumer debt litigation has reached crisis levels nationally for states and disproportionately harms low-income individuals. An overwhelming majority, 70% in some jurisdictions, of these lawsuits result in default judgments due to nonresponse. While New Jersey ranks 11th out of 50 states plus the District of Columbia in its adoption of the Center's selected best laws and policies in this area, the state received a score of 29 out of 100 on their Justice Index of benchmarked policies. Notification of settlement services is a best practice effort and could help to raise our state's score.¹

¹National Center for Access to Justice, (2024, March 4), Consumer Debt, <https://ncaj.org/state-rankings/consumer-debt>

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A 2020 Texas Appleseed report shows more than 80% of the study's participants indicated that their understanding of the lawsuit process had improved and they were more likely to respond after receiving additional notice regarding navigating the court process.² Improving case notifications in our courts will educate many, increase response rates, and decrease destabilizing and harmful post-judgment collection actions.

The amendment to Appendix XI-A(1) – DC Summons and Return of Service before you today is about improving the fairness of consumer debt litigation in NJ courts. It is about increasing the connection to an alternative resolution option for all consumer debt litigants including those struggling with medical debt judgements, which, in the four and a half months between December 2023 through April 15, 2024, there were 7,275 filed medical debt cases according to data provided to us upon request by the New Jersey Administrative Office of the Courts. And lastly, the amendment is about providing a path to reducing the economic harm caused by debt.

We respectfully urge the Court to support the amendment to Appendix XI-A(1) – DC Summons and Return of Service. This and other recent steps taken by the Court will continue to build upon its work to ensure fair and just resolution of disputes and we look forward to working with the Judiciary in fulfilling that mission.

On behalf of New Jersey Citizen Action and the NJ For Health Care coalition, we thank you for your consideration and look forward to continuing to support the Courts work on this issue.

²Texas Appleseed. (2023, May). Improving Access to Justice in Consumer Debt Lawsuits. file:///C:/Users/User/Documents/Medical%20Debt/Debt_Collection_Texas%20Report_2023.pdf

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