

Preventing Unfair Default Judgments in Debt Collection Cases: Proposals for a Compliance Checklist

A Temple Law Access to Justice Report to Philadelphia Municipal Court

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Stephen and Sandra
SHELLER

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Temple University Beasley School of Law

I. Introduction

This report examines the practices of Philadelphia Municipal Court in entering default judgments in consumer-debt cases. We conclude that current practices do not always comply with Municipal Court Rules and state law, and that additional “gatekeeping” requirements should be put in place.

Specifically, we recommend that, *in every case*, before entering a default judgment, the Court complete a checklist confirming that the requirements for ensuring the validity of the judgment have been met. In this report, we focus on a subset of those requirements, *i.e.*:

(1) **Proof of the contract**, often a written credit card agreement, that includes the defendant’s name and mailing address, the date of the agreement, the account number, and the terms of the agreement, including interest rates and penalties, plus any addenda;

(2) **Proof of the debt**, identifying the charges that the defendant allegedly failed to pay, plus any interest and penalties sought; and

(3) If the plaintiff is not the original owner of the debt, **proof that the plaintiff purchased the debt** (or, if plaintiff did not purchase the debt from its original owner, bills of sale showing the entire chain of ownership).

Because they were outside the scope of our investigation, we do not address here two other important points – service of process and compliance with the statute of limitations – that we believe the checklist should also include.

We make this proposal not only because the items of evidence we discuss are legally required, but also because compliance serves an essential purpose in Philadelphia, a high-poverty city¹ where over one-third of households struggle to meet basic expenses.² In these circumstances, the imposition of an unjust judgment – even for a few thousand dollars – can be disastrous to the person affected.

We do not repeat here the available information about problematic practices of the debt-collection industry, or about the severe impact of those problems on poor people and people of color – in Philadelphia and nationally.³ We note, however, that these problems have been

¹ Poverty has recently been measured at 23.3% in Philadelphia County, as compared to 12.0% in the Commonwealth. [U.S. Census Bureau, Quick Facts](#).

² Nearly 35% of Philadelphia households struggle to meet basic expenses. [As looming personal debt crisis emboldens collectors, Philly’s small claims court needs a bigger role](#), Philadelphia Inquirer, Mar. 18, 2021.

³ Human Rights Watch, [Rubber Stamp Justice: US Courts, Debt Buying Corporations, and the Poor](#) (2016); Pew Trusts, [How Debt Collectors are Transforming the Business of State Courts](#) (2020);

documented repeatedly. To avoid favoring (or appearing to favor) the powerful and lucrative debt-collection industry⁴ over the interests of low-income Philadelphians, the Court should ensure that judgments are entered only with full adherence to applicable law.

II. Methodology

To understand the procedures that the Court uses in entering default judgments, we first looked at research completed by other organizations, including Community Legal Services (CLS), and Pew Charitable Trust. Next, we reviewed a random sample of 50 case dockets from cases in Philadelphia Municipal Court that originated between January 1 and July 1 of 2021. This sample contains relevant case documents and showed certain trends and patterns in filings by three major plaintiffs, as well as the outcomes for defendants. A list of the dockets we reviewed is available on request.

We also spent about 20 hours observing Municipal Court during the fall of 2022, focusing on Courtroom 5, where default judgments are typically entered.

Additionally, we spoke with several former clients of CLS against whom default judgments had been entered. Finally, we reviewed the relevant Municipal Court and Pennsylvania rules and case law to pinpoint what is required for the entry of a default judgment.

The next section summarizes our observations and findings.

III. Current court practices

Currently, a handful of debt buying agencies purchase debt for pennies on the dollar from creditors who cannot collect on those debts. The creditors will most often provide a printed account statement demonstrating the alleged debt and debtor, and a verification statement

Mariele McGlazer, [Default Justice: Debt Buyer Lawsuits in Philadelphia Municipal Court](#) (2020); Kathryn Joyce, [No Money, No Lawyer, No Justice](#), The New Republic, June 22, 2020.

⁴ One Pennsylvania court has noted the “marked one-sidedness regarding the sophistication, bargaining power, and vast control over the terms exercised by a creditor in adhesive consumer credit card relationships.” *Citibank, N.A. v. Hull*, 26 Pa. D. & C.5th 188, 221 (Clinton Co. Ct. C.P. 2012). As for profitability, Encore Capital, a holding company for Midland Credit Management, registered one of its most profitable quarters in its history—right in the crux of an ongoing pandemic. P. Kiel and J. Ernesthausen, [Debt Collectors Have Made a Fortune This Year. Now They’re Coming for More](#), ProPublica, Oct. 5, 2020.

signifying the transfer of that debt to the collection agencies. The collection agencies then file those documents in court, as part of an action to collect the full value of the debt from the alleged debtor. While some collections cases are brought by original owners rather than debt buyers, original-owner cases appear to be in the minority.

The debt-collection (small claims) branch of Municipal Court is a high-volume court. Of the almost 91,000 cases heard in Municipal Court in 2018, about 31% were small claims cases, including consumer debt cases.⁵ Because of this volume, it is necessary for the judges and trial commissioners to keep proceedings brief in order for the Court to get through its cases – a reality which we saw and understood. However, the ultimate objective of the courts must be fairness, and expeditious treatment cannot be allowed at the expense of defendants’ rights.

A. When defendants appear

While our primary focus was on the entry of default judgments, our observations also made us aware of Court practices regarding defendants who appear in court.

When they arrive, defendants are greeted by a Trial Commissioner and given a double-sided paper briefly explaining the nature of the claim against them and what the process for consumer debt cases are. This paper is difficult to read, with faded and off-centered words and ends of sentences cut off.

Defendants are then typically approached by the plaintiff’s attorney, who ushers them into a back room. In at least some instances, the plaintiff’s attorney does not make clear that they represent the creditor, omitting a material fact that will allow defendants to make a better-informed decision about whether to negotiate and what terms, if any, to accept. Similarly, court staff do not always clarify that defendants have no legal obligation to meet with that party.

Once in the back room, the attorney discusses the possibility of entering a “Judgment by Agreement.” These agreements are a common outcome for *pro se* litigants in Municipal Court. Judgments by Agreement require the defendants to pay back the debt alleged or some portion thereof, typically on a payment plan. On average, these judgments are for only 2% less than the full amount claimed by the plaintiff.⁶

Judgments by Agreement are non-appealable and enforceable against the defendant. It appears that many defendants are not advised of other ways their cases might be resolved, such as settlement.

⁵ Pew Charitable Trusts, [How Philadelphia Municipal Court’s Civil Division Works](#), Feb., 2021, at 1.

⁶ Reinvestment Fund, [Debt Collection in Philadelphia](#), March 2021, at 12.

These practices appear one-sided at best and coercive at worst. We furnished a report to the Court in early 2021 containing recommendations for changes in these procedures.⁷

B. When defendants do not appear

For multiple reasons, including lack of proper service, inability to attend court hearings at designated dates and times, and a lack of trust in or understanding of the justice system, almost 65% of defendants in consumer debt do not appear at their hearings.⁸ In these instances, the Trial Commissioner enters a default judgment. In our sample of cases, 58% ended in default judgment for the plaintiff, with the average value of those judgments totaling \$1,867.

Our courtroom observations during the fall of 2021, as well as our review of dockets, indicated that in many if not most cases, the Court enters default judgments for the entire amount claimed, without determining whether the plaintiff has proved its entitlement to the damages claimed.⁹

Because we believe that such proof is required by the Municipal Court Rules and other applicable law, we turn now to our proposal that the Court use a written checklist to ensure that the necessary supporting evidence is in place before a default judgment is entered.

IV. Proposed partial checklist of requirements for the entry of default judgments

We propose that the Court adopt the following partial checklist of requirements to be satisfied before a default judgment is entered. A discussion of the legal rationale for each requirement that we do include is found in Section V.

We describe the checklist as “partial” because it does not include information on two key points: service of process and satisfaction of the statute of limitations. These requirements are omitted solely because we did not focus on them in our investigation; we believe that they should be included in the final version of the checklist.

⁷ Sheller Center for Social Justice, “Enhancing Due Process in Consumer Debt Proceedings” (draft of January 2021).

⁸ *Id.* at 7.

⁹ The two CLS clients we interviewed, who succeeded in reopening default judgments against them, exemplified this problem, in that it was eventually determined that defaults had been entered even though plaintiffs had not provided legally required evidence.

In making this proposal, we recognize that court personnel may, in some cases, already inquire into these issues. However, in our view, the way to ensure that these inquiries occur *in every case* is to utilize a written checklist. Using a checklist will:

- Ensure that, in the high-volume setting of Municipal Court, court personnel do not inadvertently overlook any of the requirements that must be met in each case;
- Assure that all court personnel charged with entering default judgments, whether or not attorneys, are working from accurate information about those requirements; and
- Create a written record that all requirements were met.

Philadelphia Municipal Court

Consumer Debt – Partial Checklist for Default Judgments

Before a default judgment can be entered, Plaintiff should provide these items. This checklist does *not* include applicable requirements concerning service of process or proof that the action was filed within the statute of limitations; satisfaction of these requirements should be documented as well.

Evidence Required	Specific Requirements	Legal Basis for Requirement (non-exhaustive list)
<p>Agreement (including Addenda)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Original or copy of a <i>dated</i> agreement between: <ul style="list-style-type: none"> ○ <i>This plaintiff</i> (or a subsequent debt buyer with proper documentation – see “Proof of Sale” below) and ○ <i>This defendant</i>. <input type="checkbox"/> All addenda, if any, to the agreement. <input type="checkbox"/> The agreement (plus addenda) must show all of the terms on which the plaintiff relies, including any terms concerning interest, penalties, and attorney’s fees. 	<p>Municipal Court Rules:</p> <p>109(a)(3), (a)(4) (requiring submission of writing on which claim is based)</p> <p>120(b) (requiring proof of damages)</p> <p>121(b)(7) (requirements for</p>

	<ul style="list-style-type: none"> <input type="checkbox"/> If plaintiff cannot provide copy of the agreement or addenda, a written statement that: <ul style="list-style-type: none"> ○ Explains why the document(s) cannot be produced; and ○ States the date and terms of the document(s). <input type="checkbox"/> The agreement, or the written statement concerning the agreement, must be admissible. This means that either: <ul style="list-style-type: none"> ○ Plaintiff furnished a copy to defendant at least 10 days before the hearing, or ○ Plaintiff presents a live witness who testifies from personal knowledge that the document meets the foundational requirements for a business record and is authentic. 	admission of evidence)
Statement of Debt	<ul style="list-style-type: none"> <input type="checkbox"/> Credit card statements (if credit card case) or other documentation (if other type of debt case) <i>showing the transactions that resulted in the debt.</i> <input type="checkbox"/> Transactions must be itemized – no lump sums. <input type="checkbox"/> Interest, fees, and any penalties must be shown separately. <input type="checkbox"/> Total amount documented must match amount sought by plaintiff. <input type="checkbox"/> If plaintiff cannot document some or all transactions, plaintiff must submit a writing explaining why and providing the substance of the missing information. 	Municipal Court Rules: 109(a)(2), 109(a)(3) (requiring itemization of amounts and statement of relevant facts) 120(b) (requiring proof of damages) 121(b)(7) (requirements for admission of evidence)

	<ul style="list-style-type: none"> □ The documentation of the transactions, or the written statement concerning the transactions, must be admissible. This means that either: <ul style="list-style-type: none"> ○ Plaintiff furnished a copy to defendant at least 10 days before the hearing, or ○ Plaintiff presents a live witness who testifies from personal knowledge that the document meets the foundational requirements for a business record and is authentic. 	
<p style="text-align: center;">Ownership/Sale of Defendant's Account</p>	<ul style="list-style-type: none"> □ Unless plaintiff is the original creditor, documents showing chain of sales flowing from the original creditor to the plaintiff, <i>including all intermediary purchasers</i>. For example, proof might consist of "Master Purchase Agreements" or "Forward Flow Agreements." □ All documents showing sales must show that <i>this specific defendant's account</i> was among those sold. □ The documents must be admissible. This means that either: <ul style="list-style-type: none"> ○ Plaintiff furnished a copy to defendant at least 10 days before the hearing, or ○ Plaintiff presents a live witness who testifies from personal knowledge that the document meets the foundational requirements for a business record and is authentic. 	<p>PA contract law (plaintiff in any contract action must have, or have acquired, the legal right to sue under that contract).</p> <p>Municipal Court Rule 121(b)(7) (requirements for admission of evidence)</p>

V. Legal rationale

Collections cases are contract claims. The elements of a contract claim are “(1) the existence of a contract, including its essential terms, (2) a breach of a duty imposed by the contract and (3) resultant damages.”¹⁰ The party claiming breach must establish all elements by a preponderance of the evidence.¹¹

Under the Municipal Court Rules applicable to contract claims, the plaintiff must provide evidence supporting its claim *regardless of whether the defendant is present.* Specifically, Municipal Court Rules 120 and 121 state:

Rule 120. Dismissals—Failure to Appear.

b. If the claimant appears and defendant does not, *and damages are proven in accordance with Rule 121* [emphasis added], judgment by default shall be entered for claimant, provided service was made at least seven (7) days prior to trial, otherwise the claim shall be continued to a date certain.

Rule 121. Conduct of Trial: Evidence.

a. Except as prescribed by this Rule, the Rules of Evidence shall be applied in all trials.

b. If at least ten (10) days written notice of intention to offer the following documents in evidence was given to every other party, accompanied by a copy of the document, a party may offer in evidence without further proof the following:

1. bills, records and reports of hospitals, doctors, dentists, registered nurses, licensed practical nurses and physical therapists, or other licensed health care providers;
2. bills for drugs, medical appliances, and prostheses;
3. affidavit of repair, estimate of value, bills for damage to, cost of repair or loss of property;
4. a report of the rate of earnings and time lost from work or lost compensation prepared by an employer;

¹⁰ *Discover Bank v. Booker*, 259 A.3d 493, 496 (Pa. Super. Ct. 2021).

¹¹ *Id.*

5. an official weather or traffic signal report or standard U.S. government life expectancy table (without the certification required by 42 Pa. C.S. §5328, 6102);

6. any other official record kept within Commonwealth or written statement that after examination of the records of the government unit, no record or entry of specified tenor is found to exist in the records designated by the statement;

7. a bill, estimate, receipt, statement of account or other records which appear to have been made in the regular course of business.

c. Any other party may subpoena a person whose testimony is waived by this Rule to appear at the trial and may cross-examine him as to the documents as if he were a witness for the party offering the document.

We turn to the application of these principles and other relevant law to debt-collection cases.

A. Agreement and addenda

The existence of a contract is the first element of a breach of contract claim. Evidence that a contract was formed between the plaintiff and the defendant, and evidence of the terms of the contract, is thus an essential part of the proof required by Rules 120 and 121.

If the plaintiff has complied with Municipal Court Rule 109(a)(4), this proof should already be present on the docket. That Rule provides:

Where the claim is based upon a writing, a copy of the writing or pertinent portions thereof shall be attached. If the writing is not available, it is sufficient to so state, together with the reasons, and to set forth the substance of the writing.

The Rule mirrors Pa.R.Civ.P 1019(i), which states that “[w]hen any claim . . . is based upon a writing, the pleader shall attach a copy of the writing, or the material part thereof, but if the writing or copy is not accessible to the pleader, it is sufficient to so state, together with the reason, and to set forth the substance in writing.” A plaintiff that does not comply with this Rule is not entitled to a judgment.¹²

To constitute evidence of a contract between the plaintiff and the defendant, the “writing” must contain the defendant’s name and all the terms of the agreement, including

¹² *Atlantic Credit v. Giuliana*, 829 A.2d 340, 345 (Pa. Super. 2003).

interest rates, penalties, and fees.¹³ If the plaintiff seeks to enforce terms not contained in the original agreement (*e.g.*, interest or fees imposed by a later amendment, or other updated conditions), evidence of those amendments must also be included.

As noted above, local and state rules provide an exception for the situation in which the agreement (or, presumably, an amendment) is unavailable. In this situation, there must be a written statement of the reason that the agreement cannot be provided, together with a statement of the substance of the agreement.

Under Rule 121(b), the agreement (or the written statement explaining its absence and describing its terms) may be admitted without further authentication *if* a copy was provided to the defendant, along with notice of the plaintiff's intent to offer it in evidence, at least 10 days before the hearing. If this requirement was not met, the usual requirements of the Rules of Evidence – *i.e.*, testimony from a live witness who has personal knowledge that the document meets the foundational requirements for a business record and is authentic – must be met.

B. Statement of Debt

Additional elements of a contract claim are the existence of a breach and the amount of damages.

Here again, if the plaintiff has complied with the pleading rules, it should not have difficulty satisfying the requirement, since documentation showing breach and damages will already be on the docket. This is because Municipal Court Rule 109(a)(2) requires that the statement of claim contain an “[i]temization of the sums claimed” and an “attached copy of an invoice or statement of account.” Rule 109(a)(3) amplifies this provision by requiring plaintiffs to provide “a brief, concise statement of the relevant and admissible facts, occurrences and transactions upon which the claim is based, and damages sustained, including relevant times, dates, and places.”

Taken together, these provisions call for full documentation of the charges incurred by the defendant that were allegedly not paid, plus any additional interest or penalties. These requirements also derive from Pa.R.C.P. 1019, which requires that, in pleadings, “the material facts on which a cause of action or defense is based shall be stated in a concise and summary form,”¹⁴ and that “averments of time, place, and items of special damage shall be specifically

¹³ *Unifund CCR Partners Assignee of Palisades Collections, LLC v. Vo*, 2009 WL 964955 (citing Pa.R.C.P. 1019(i), 15 U.S.C. § 1601 et seq., 12 C.F.R. § 226.5a, and *Roberts v. Fleet Bank*, 342 F.3d 260, 265-266 (3d Cir. 2003) (describing requirements for disclosure of interest rates).

¹⁴ Pa.R.C.P 1019(a).

stated.”¹⁵ The purpose of these requirements is to “inform[] the defendant with accuracy and completeness of the specific basis on which recovery is sought so that he may know without question upon what grounds to make his defense.”¹⁶

As our Court of Common Pleas has held, citing a similar holding by the Court of Common Pleas of Allegheny County:

This court concurs with the decision in *Worldwide Asset Purchasing, LLC v. Stern*, 153 P.L.J. 111 (C.P. Allegheny 2004), which held that in suits to recover credit card debts, under [Pa. R. Civ. P.] Rule 1019(f) the “defendant is entitled to know the dates on which individual transactions were made, the amounts therefore and the items purchased to be able to answer intelligently and determine what items he can admit and what items he must contest.”¹⁷

Like the Rule pertaining to the existence of the contract, Rule 109(a)(2) contains an exception for situations in which written evidence of the debt is unavailable. In that instance, the Rule provides, “plaintiff shall so affirm.” If this provision were read to mean that a cursory statement without further detail would suffice to prove breach and damages, it would be inconsistent with Pa.R.C.P. 1019 and basic principles of contract law. We read it to mean, instead, that any “affirmation” must explain the reasons why documentation is lacking, and must contain enough detail about the defendant’s charges and payments to enable the Court to determine that a breach has occurred and the amount of damages.

To be accepted without authentication by a live witness, moreover, documentation of the breach and damages – whether in the form of records or a specific statement by plaintiff – must, under rule 121(b)(7), have been provided to the defendant at least 10 days in advance, together with notice that plaintiff intended to introduce the documentation at trial.

C. Ownership/sale of defendant’s account

When the case is brought by a party other than the original creditor, the Court must ensure that the plaintiff shows evidence that they have acquired ownership of the debt – *i.e.*, that they have the right to enforce the underlying contract. This implies that there must be documentation that the original owner sold the debt to the plaintiff; or, if a series of sales occurred, documentation of the chain of sales that resulted in the plaintiff’s ownership.

¹⁵ Pa.R.C.P. 1019(f).

¹⁶ *Rambo v. Greene*, 906 A.2d 1232, 1236 (Pa. Super. 2006), citing *Ammlung v. City of Chester*, 302 A.2d 491, 498 n. 36 (Pa. Super. 1973).

¹⁷ *Unifund CCR Partners Assignee of Palisades Collections, LLC v. Vo*, 2009 WL 964955.

This does not necessarily mean that the plaintiff must produce a specific bill of sale pertaining to the debt in question. A Master Purchase Agreement or Forward Flow Agreement can constitute the necessary evidence if *the agreement is properly authenticated and specifically refers to the account at issue in the case*. However, as Judge Fox of our Court of Common Pleas made clear in her opinion in *Unifund CCR Partners Assignee of Palisades Collections, LLC v. Vo*,¹⁸ documentation that does not specifically reference the defendant's account cannot sustain a claim.

On the question of authentication and admissibility, Municipal Court Rule 121(b)(7) allows the introduction of a bill, estimate, receipt, statement of account or other records which appear to be made in the regular course of business, provided the plaintiff has provided the records (and notice of their intended use at trial) at least 10 days in advance. This Rule, however, does not fully spell out the requirements that the records must meet under *Pennsylvania* law to qualify for an exception to the hearsay rule. Pennsylvania Rule of Evidence 803(6), the business-record provision, creates such an exception for:

Records of a Regularly Conducted Activity: A record (which includes a memorandum, report, or data compilation in any form) of an act, event or condition if:

- (A) the record was made at or near the time by—or from information transmitted by—someone with knowledge;
- (B) the record was kept in the course of a regularly conducted activity of a “business,” which term includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit;
- (C) making the record was a regular practice of that activity;
- (D) all these conditions are shown by the testimony of the custodian or another qualified witness, or by a certification that complies with Rule 902(11) or (12) or with a statute permitting certification; and
- (E) the opponent does not show that the source of information or other circumstances indicate a lack of trustworthiness.

The Supreme Court of Pennsylvania has held that courts applying this hearsay exception should “look[] to the circumstances of the individual cases to determine whether the elements of the business records exception were met.”¹⁹ The Superior Court has elaborated:

As long as the authenticating witness can provide sufficient information relating to the preparation and maintenance of the records to justify a presumption of trustworthiness for the business records of a company, a sufficient basis is provided to offset the hearsay character of the evidence.²⁰

¹⁸ 2009 WL 964955.

¹⁹ *Bayview Loan Servicing LLC v. Wicker*, 206 A.3d 474 (Pa. 2019).

²⁰ *U.S. Bank, N.A. v. Pautenis*, 118 A.3d 386, 401 (Pa. Super. 2015).

In the context of collection litigation, the Superior Court has made clear that this is a demanding, rather than *pro forma*, requirement. Thus, in *Commonwealth Financial Systems, Inc., v. Smith*, 15 A.3d 492 (Pa. Super. 2011), the debt had been sold twice. The (alleged) ultimate owner produced spreadsheets supposedly documenting the sales, but could not provide evidence of how the spreadsheets were made, or “that the entries on the spreadsheets were made at or near the time of the events or that the data was transmitted by someone with knowledge.”

Noting that, in Pennsylvania, business records of third parties do not automatically qualify for the business records exception, the Court upheld the trial court’s decision to reject plaintiff’s theory that the records were trustworthy because it had “relied on Citibank’s and NCOP’s records [predecessors-in-interest] and integrated them into its daily operations, including the creation of Ms. Smith’s [defendant] account.”²¹ The records were properly excluded, the Court held, because they did not show adequate “circumstantial trustworthiness” to qualify be admitted as business records of the plaintiff.²²

Similarly, in the context of a successor mortgagee, the Superior Court held in *U.S. Bank, N.A. v. Pautenis*, 118 A.3d 386 (Pa. Super. Ct. 2015) that the requirements of Rule 803(6) were not met where the mortgagee’s witness “had no knowledge of how Chase [an intermediate purchaser] kept its records and whether those records themselves would have been admissible under [Rule 803\(6\)](#).”

By contrast, our Supreme Court found that Rule 803(6) was satisfied when the records custodian “testified that he was personally acquainted with the recording process used by Bank of America as it was the same process used by Bayview, which allowed him to speak to whether the information was likely to have met the requirements of Rule 803(6)(A-C).”²³

In summary, where the plaintiff is not the original owner of the debt, the Municipal Court must require evidence of the sale(s) that led to the plaintiff’s ownership, and that evidence must include “sufficient information relating to the preparation and maintenance of the records to justify a presumption of trustworthiness.”²⁴ As we understand it, this includes “trustworthy” information as to when and how the relevant records were made.

Finally, we note again that, under Rule 121(b)(7), written evidence pertaining to ownership that is to be offered without a live witness must be sent to the defendant at least 10 days in advance, with notice that the plaintiff plans to use it at trial.

²¹ *Id.*

²² *Commonwealth Financial Systems. v. Smith*, 15 A.3d 492, 499 (Pa. Super. Ct. 2011).

²³ *Wicker*, 206 A.3d at 486.

²⁴ *U.S. Bank, N.A. v. Pautenis*, 118 A.3d 386, 401 (Pa. Super. Ct. 2015).

VI. Conclusion

To the extent that they fail to comply with applicable evidentiary rules, current practices in consumer debt collections are harmful to Philadelphians. The debt collection companies that are most commonly plaintiffs in these actions are nearly all located outside of Philadelphia; many are outside of Pennsylvania. The thousands of actions that they bring each month not only tax the resources of the Court, but result in the reallocation of funds that (typically) low-income Philadelphians might have used to cover their expenses and contribute to the local economy.²⁵ The impact is particularly severe on black and Hispanic residents of the city.²⁶

The consequences of an adverse debt collection judgment can be devastating for an individual's financial stability.²⁷ Financial hardship can precipitate other problems, which may manifest in bankruptcy, landlord-tenant disputes, or other court matters. D.M., a litigant whose judgment was opened and eventually vacated, spoke to us about how the claim against her could have cost her family their home and other assets, and how spending time in court lost her valuable time at work to make money for her family. Litigants such as D.M. feel confusion, frustration, and anger, and the sense that the court system is taking advantage of them.

Of course, plaintiffs with valid claims, *supported by the requisite evidence*, are entitled to judgments. Our proposed gatekeeping measures are simply intended to ensure that judgments are not awarded in the absence of the minimum proof required by state and local rules.

We hope that our suggestions for elements of a checklist can function as a tool for the Court as it continues to strive for justice. We are happy to engage in further dialogue or provide further research and recommendations.

²⁵ P. Kiel and J. Ernesthausen, [Debt Collectors Have Made a Fortune This Year. Now They're Coming for More](#), ProPublica, Oct. 5, 2020.

²⁶ Reinvestment Fund, [Debt Collection in Philadelphia](#), March 2021, at 31.

²⁷ *Id.*

This report was produced by Luke Myers, Elizabeth Napierkowski, and Javier Zurita, students in Temple's Access to Justice Clinic, with assistance from Prof. Len Rieser.

The Access to Justice Clinic focuses on expanding legal help to, and fair treatment of, people who are unrepresented in matters of basic need. The Clinic is part of the Stephen and Sandra Sheller Center for Social Justice, a hub for social justice inquiry and advocacy within Temple's Beasley School of Law.