

ASSEMBLY RESOLUTION No. 187

STATE OF NEW JERSEY 221st LEGISLATURE

INTRODUCED MAY 5, 2025

Sponsored by:
Assemblywoman LISA SWAIN
District 38 (Bergen)

SYNOPSIS

Urges State Supreme Court to amend Court Rules to increase transparency in consumer debt litigation filings and procedures.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ASSEMBLY RESOLUTION** respectfully urging the State Supreme
2 Court to amend the Rules of Court in furtherance of access to
3 justice in consumer debt litigation.
4
5 **WHEREAS**, The provision of fair and equal access to justice is the
6 fundamental mission of the Judiciary of this State; and
7 **WHEREAS**, However, consumer debt litigation presents a crisis for
8 low-income individuals, where millions of economically struggling
9 Americans are sued annually by creditors and debt buyers, and, in
10 an overwhelming number of these collection lawsuits, debtors lack
11 legal assistance and face enormous barriers to responding and
12 defending against the suits; and
13 **WHEREAS**, As a result, courts may at times enter default judgments
14 against individual debtors without fully assessing the legitimacy,
15 merits, or accuracy of the claims, subjecting the individuals to
16 sometimes erroneous seizure of money and assets, burdensome
17 post-judgment hearings, crippling fees and interest, onerous
18 payment plans, and other destabilizing collection efforts, all of
19 which perpetuate and deepen cycles of debt that keep millions of
20 Americans struggling to meet their most basic needs; and
21 **WHEREAS**, In 2024, the National Center for Access to Justice (NCAJ)
22 at Fordham University School of Law conducted a nationwide
23 survey concerning the laws and procedures governing consumer
24 debt collection lawsuits; and
25 **WHEREAS**, The NCAJ's findings were compiled in a report entitled
26 "The Consumer Debt Litigation Index," which measured states
27 based on 24 Benchmarks covering a range of issues including, but
28 not limited to, service of process, statutes of limitations, proofs of
29 debt, court filing fees, forms of pleading, default judgments,
30 judgment interest, wage garnishments, right to counsel, and
31 statistical data collection; and
32 **WHEREAS**, The Consumer Debt Litigation Index makes a number of
33 recommendations directed to the Legislature and Judiciary of this
34 State that would reform the unequal balance of power between
35 individual debtors without lawyers and corporate creditors
36 represented by sophisticated counsel; and
37 **WHEREAS**, The implementation of several of these recommendations
38 would require amendments to Part IV and Part VI of the Rules of
39 Court, which are under the exclusive authority of the State Supreme
40 Court; and
41 **WHEREAS**, In particular, the Rules of Court could be improved in the
42 interest of justice by implementing the findings and
43 recommendations for Benchmark 6 of the Consumer Debt
44 Litigation Index, which concern reforms to a creditor's pleading
45 requirements to require the name of the original creditor, the chain

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 of assignment when a debt has been assigned to another creditor or
2 debt buyer, and an itemization of the debt principal, interest, fees,
3 costs, and other charges, to inform the debtor of the nature and
4 legitimacy of the debt; and

5 **WHEREAS**, The Rules of Court could be improved in the interest of
6 justice by implementing the findings and recommendations for
7 Benchmark 7 of the Consumer Debt Litigation Index, which
8 concern reforms to a creditor's use of authenticated business
9 records to prove the existence and validity of a debt, and reforms to
10 service of process prior to granting a default judgment, to require
11 proof of service of all court filings by the creditor including
12 requests for the entry of defaults and motions for default judgments,
13 authenticated copies of the original credit agreement and account
14 statements, and a sum certain calculation of the judgment amount
15 sought with an itemization of the debt principal, interest, fees, costs,
16 and other charges, so that the court may be satisfied that the creditor
17 has met its burden of proof; and

18 **WHEREAS**, The Rules of Court could be improved in the interest of
19 justice by implementing the findings and recommendations for
20 Benchmark 8 of the Consumer Debt Litigation Index, which
21 concern reforms to a creditor's pleading requirements to show proof
22 that a collection lawsuit has been timely filed within the applicable
23 statute of limitations based on the date that the claim accrued, so
24 that the court may be satisfied that the creditor actually has a valid
25 claim which can still be litigated; and

26 **WHEREAS**, The Rules of Court could be improved in the interest of
27 justice by implementing the findings and recommendations for
28 Benchmark 22 of the Consumer Debt Litigation Index, which
29 concern reforms to the practice of post-judgment debtor
30 examinations and the conduct of depositions, to limit the frequency
31 of such examinations in order to minimize the abuse of this practice
32 as a means to harass the debtor; and

33 **WHEREAS**, The State Supreme Court, through its Civil Practice
34 Committee and Special Civil Part Practice Committee, has
35 continuously sought to improve access to justice by examining the
36 Rules of Court and adopting recommended reforms as appropriate;
37 now, therefore,

38

39 **BE IT RESOLVED** *by the General Assembly of the State of New*
40 *Jersey:*

41

42 1. The State Supreme Court is respectfully urged to study the
43 findings of the Consumer Debt Litigation Index report concerning
44 this State, and to make all appropriate amendments to the Rules of
45 Court in accordance with the report's findings.

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47 2. Copies of this resolution, as filed with the Secretary of State,
48 shall be transmitted by the Clerk of the General Assembly to the

1 Chief Justice of the State Supreme Court, each Associate Justice of
2 the State Supreme Court, and to the Attorney General of the State of
3 New Jersey.

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6 STATEMENT
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8 This resolution urges the State Supreme Court to study the
9 findings and recommendations applicable to this State from the
10 Consumer Debt Litigation Index report, issued in March 2024 by
11 the National Center for Access to Justice (NCAJ) at Fordham
12 University School of Law.

13 The findings of the NCAJ report show that this State ranks 12th
14 in the nation when it comes to access to justice and procedural
15 fairness for individuals facing consumer debt collection lawsuits.
16 The NCAJ report highlighted several areas for reform concerning
17 creditors' pleading requirements, proofs of debt and assignments of
18 debt, service of process, default judgments, compliance with the
19 applicable statutes of limitations, and post-judgment depositions.
20 However, implementation of these reforms would require
21 amendments to the Rules of Court, which may only be amended by
22 the State Supreme Court. Therefore, the State Supreme Court is
23 respectfully urged to study the NCAJ report and specifically
24 implement the findings and recommendations of Benchmarks 6, 7,
25 8, and 22.