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Buckles and Truba: Michigan's court system needs improvement

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The Michigan Supreme Court's Justice for All Commission (JFAC) is doing commendable work to discover ways to expand access to civil courts for Michigan citizens, especially those who do not have legal representation.

One focus of this effort involves the collection of unpaid consumer debt. While most consumer debts are repaid, consumers sometimes encounter financial hurdles that result in litigation. While the JFA continues its long-term study, the courts could implement immediate reforms that would help families resolve their debt difficulties today.

The ability of consumers to use credit, like car loans and credit cards, and follow an established repayment plan is a bedrock function of our credit-based economy. Using such credit is usually an empowering experience that allows us to manage daily expenses and pursue big dreams.

When consumers work with creditors to repay debt, they help preserve and maintain the consumer credit system for our fellow citizens and job creators, while keeping unnecessary cases out of the courts.

But when debts are not repaid, our credit-based system is disrupted to the detriment of all. While many encounter debt repayment difficulties from time to time, working with creditors often results in a resolution of the situation that does not require litigation.

Unfortunately, communication too often breaks down between consumers and creditors, resulting in debt collection lawsuits and default court judgments because consumers simply do not engage.

Under the Michigan Creditors Bar Association's (MCBA) Protect Michigan's Families & Economy Plan, the Michigan Supreme Court can now act to help consumers, avoid default judgments and garnishments by simplifying the litigation process, educate citizens and use everyday technology to increase court access.

First, the court should expand the electronic court filing system authorized by Michigan's Legislature back in 2016. The court has collected more than \$50 million to fund the project, yet fewer than 10% of courthouses have a functioning e-filing system that would relieve administrative pressures on the courts.

Second, because the key to reducing caseloads, default judgments and garnishments is communication between debtors and creditors, courts should mail notices to consumers. The court's name on the envelope will increase consumer awareness and communication with debt collection lawyers on hearing dates and, if left unanswered, judgment enforcement consequences.

Third, the court should establish and actively promote an official website with trusted information educating consumers, particularly those without legal representation, on how to navigate the court system, including a "Notice of Rights" that should be mailed with all court documents. This is necessary, unfortunately, because some independent websites advise consumers to avoid being served lawsuit documents and discourage debtors from communicating with creditors.

Next, the court may wish to call upon major public interest foundations, some of which hold billions of dollars in assets, to create or increase support of legal education and representation for Michigan citizens, including funding for legal aid groups.

Fifth, the court must make permanent the option of using virtual court hearings in debt collection cases, helping consumers communicate and avoid default judgments and garnishments.

Finally, what is not helpful to consumers, small businesses and our economy are efforts by some to delegitimize consumer debts that often can be repaid or at least be settled. Regardless of who owns the debt, attacking attempts to achieve retirement of legitimate debt does nothing but undermine a credit-based economy which depends on good-faith efforts to repay creditors, so that credit can be extended again.

By enacting MCBA's Protect Michigan's Families & Economy Plan, we will facilitate more consumer communication during the debt collection process and improve economic outcomes for consumers and job creators alike.

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