



NATIONAL ASSOCIATION OF CONSUMER ADVOCATES

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February 17, 2010

Delegate Sandy Rosenberg
415 Lowe Building
Annapolis, MD 21401

Dear Delegate Rosenberg:

The National Association of Consumer Advocates (NACA) is a nationwide organization of more than 1500 attorneys who represent and have represented hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices. As an organization fully committed to promoting justice for consumers and on behalf of our members, we write in support of House Bill 379, Consumer Protection – Transparency in Consumer Arbitration Act.

Buried in the fine print of everything from credit card billing inserts and cellular phone service disclosures, to employee handbooks and nursing home admissions contracts, forced arbitration clauses eliminate Americans' access to the courts, forcing them instead into a private system set up by corporations to favor corporations. Lenders use these hidden clauses to protect themselves against claims for unfair credit card terms and fees that are buried in the fine print, and car loans and leases with exploding interest rates.

When corporations force arbitration on individuals using non-negotiable, and many times unnoticed contract terms, it becomes an abusive weapon. Arbitration can be a fair and effective method of dispute resolution, when voluntarily agreed to. However, by creating their own private system, where there exists no requirement for an impartial judge, jury, or meaningful appeal, corporations have learned they can successfully escape accountability and deny Americans equal justice under the law.

We need a system that is transparent and accountable to the public. HB 379 is a strong step in accomplishing both of these goals. By requiring data on arbitration to the public, Maryland residents who are presently left completely in the dark, will be able to access statistical information on the arbitrator and arbitration companies they are forced to bring their claims before. Such information will provide Maryland residents an opportunity to assess the neutrality of the arbitrator and their likelihood of receiving a fair hearing. Moreover, the availability of statistical data will enable Maryland regulators, elected officials, and the Maryland Attorney General to assess particular bad actors and patterns of abuse. This oversight will lead to greater accountability and better protect Maryland residents from the unfair system of forced arbitration.

We thank you for your leadership on this issue and are happy to sign-on our support for HB 379.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Ganzglass', written over a horizontal line.

Cora L. Ganzglass
Legislative Director