In the early 2000s, hundreds of thousands of debt collection suits were initiated in perfunctory arbitration proceedings before the National Arbitration Forum (NAF) where the NAF would receive a bare-bones complaint and issue default rulings without any hearing or additional evidence being submitted. A state enforcement action put a stop to National Arbitration Forum (NAF)’s use of arbitration proceedings in collection suits. The American Arbitration Association (AAA) has refused to conduct any arbitration seeking to collect a consumer debt. While collectors could seek to utilize other arbitration forums to collect consumer debts, none at present appear to be doing so.

Arbitration can still come up in the context of an FDCPA lawsuit and is discussed at § 2.4.8 [1], infra.

Footnotes

381 These abusive practices are discussed in more detail at National Consumer Law Center, Consumer Arbitration Agreements § 11.2 [2] (7th ed. 2015), updated at www.nclc.org/library.


383 See, e.g., Am. Arbitration Ass’n, Notice on Consumer Debt Collection Arbitrations [3], available at www.adr.org (describing AAA moratorium on consumer debt collection actions). But see Consumer Fin. Protection Bureau, Arbitration Study § 5.6.4 (Mar. 2015) (identifying 24 filings during the relevant study period that likely conflicted with AAA’s moratorium).


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Links
[1] https://library.nclc.org/nclc/link/FDC.02.04.08