

Dodd-Frank Wall Street Reform and Consumer Protection Act

What does this mean for low-income people?

On July 21, 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, the most sweeping victory for consumer rights since the late 1960s. NPLS Staff Attorneys Jennifer Heverly and Erik Hansen believe this legislation is an extraordinary victory for low-income people, who are most often targeted by the most abusive financial practices. Both attorneys take a special interest in consumer law.

The Act creates the new Consumer Financial Protection Bureau (CFPB), which has the authority to issue extensive new regulations that will improve consumer protections for years to come. The Act also includes a number of specific restrictions that target some of the most wide-spread and damaging abuses that led to the mortgage crisis, including (1) brokers who steer borrowers to the most expensive loans, with higher interest rates and padded with extra fees, (2) lenders who approved loans that they knew borrowers could not afford, then immediately sold those loans to avoid the losing money when the borrower defaulted, and (3) loan

servicers who charged borrowers for unreasonably high-cost force-placed insurance or fees incurred as a result of the servicer's own failure to correct accounting errors quickly.

The Act also sets up a bridge loan program modeled on the Pennsylvania Homeowners' Emergency Mortgage Assistance Program (HEMAP). Since February 1, 2011, the Pennsylvania Housing Finance Agency has been evaluating homeowners for this new program, called the Emergency Homeowner Loan Program (EHLP). The assistance is a loan, but does not require repayment unless the homeowner moves or defaults again within 5 years.

In addition, the Act makes numerous changes to the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Fair Credit Reporting Act, the Home Affordable Modification Program, and other consumer laws, and the Act authorizes \$35 million for legal services programs to defend foreclosures and evictions, but further legislation is required to appropriate these funds.

Charity Care in Pennsylvania—Know Your Health Care Rights!

Can't afford your hospital bills? First, apply for Medical Assistance. Second, apply for Charity Care.

(1) Apply for Medical Assistance Medical Assistance is insurance provided by the state. To get Medical Assistance, your income must be below certain limits, and you must meet other rules. The hospital can help you apply. Ask for help in the billing office if you need an application, or if you need a doctor to fill out an "employability" form. You may be able to get old medical bills paid, if the bills are less than four months old.

(2) Apply for Charity Care Nearly all hospitals in Pennsylvania offer free or low-cost care (called "charity care"). Ask the billing office for an application. Under state law, hospitals that apply for Tobacco Settlement Act funding must tell you about charity care on their websites, on discharge papers, and on bills. The hospital has to give

you detailed rules, such as what the income limits are, if you ask for it. In making a charity care decision, the hospital cannot consider your house, car, retirement account, and other "non-liquid" assets. It also cannot ask whether you have a credit card. The hospital should not take you to collections until it has helped you apply for Medical Assistance and Charity Care.

What if I have a medical emergency? Go to the nearest Emergency Room. The hospital cannot turn you away, even if you do not have insurance. It cannot ask you to pay before treating you. The hospital must treat you, but it can bill you afterwards.

Is your hospital breaking these rules? Call 1-866-DPW-TIPS Report the hospital to the state's Bureau of Program Integrity. Explain what happened. You can call Pennsylvania Health Law Project's toll-free HELPLINE for free legal help at 800-274-3258.

Being sued for credit card bills? Can't afford a lawyer?

Represent yourself and do it right!

Prepare your own defenses by answering simple-to-follow questions learning your rights in Pennsylvania. Be prepared for court whether you're being sued in county court (Court of Common Pleas) or at the local court (Magisterial District Court). Prepare an appeal notice if you've lost at Magisterial District Court.

You can prepare the documents that are right for you at www.PaLawHelp.org (under Consumer/Debt Collection) or by clicking the direct link here. This is a free service.



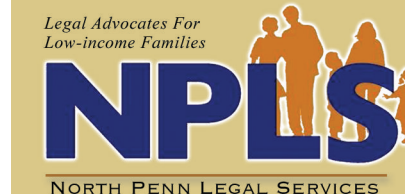
Client Victory: Mortgage foreclosure diversion program works

Our client had been working directly with the loan servicer on a payment plan arrangement. While the servicer kept asking for more and more documentation, our client received a notice of an oral argument date for summary judgment on the foreclosure complaint. That is when NPLS got involved in the case. The NPLS staff attorney contacted the lender attorney to let him know that our client was trying to work out a modification with the lender. The lender attorney agreed to discontinue the oral argument. Our staff attorney then requested a conciliation conference for our client in accordance with the Lackawanna County Mortgage Foreclosure Diversion program which had been recently put in place. NPLS staff attorney then submitted all the financial paperwork through the lender's attorney to ensure that the client's case was being handled properly. Our client was given a trial modification. After successful completion of the trial, our client received a modification of the loan so that the client was able to make payments. The foreclosure case was discontinued and the client could stay in the house.



Appeal for Justice

Spring 2011



Services Include:

- Individual representation
- Information
- Referral
- Advice through telephone and helpline
- Community legal education
- Support for those clients who will be taking responsibility for handling some or all aspects of their cases.
- Call 1-877-LEGAL-0

Inside This Issue:

- U.S. Lags in Access to Civil Justice..... 2
- Client feedback from recent online survey ... 2
- Spotlight on Pro Bono Attorney: Michelle DeWald, Esq. 3
- Cheryl Coe—NPLS Paralegal receives one of the 2011 PLAN Excellence Awards..... 3
- Ten Great Myths of Landlord-Tenant Law..... 4
- Dodd-Frank Wall Street Reform and Consumer Protection Act 5
- Charity Care in Pennsylvania—Know Your Health Care Rights!..... 5
- Being sued for credit card bills? Can't afford a lawyer? 5
- Client Victory: Mortgage foreclosure diversion program works 6

Client-Community Connections— Help NPLS reduce the impact of \$604,284 in proposed budget cuts

This is an unprecedented time for NPLS. Not only have NPLS staff and volunteers been helping a growing number of low-income people; they are doing so during one of the worst economic downturns our country has experienced since the Great Depression. In addition, early 2010 U.S.

To address all of the factors causing strain on NPLS: demand for services, increased number of low-income people in NPLS' service area, the simple fact that the poor are getting poorer, and funding sources predicting static or decreased allocations, we are taking the following action steps.



Census data released yesterday ranked Allentown the third largest city in Pennsylvania—just behind Pittsburgh and Philadelphia—with the highest growth in the Latino population statewide.

Despite the fact that we served 22,767 low-income people last year—a 10% increase over the previous year, our funding picture for the upcoming fiscal year is bleak. We expect \$604,284 in funding cuts primarily from our major funders. NPLS is reviewing how to address the loss of so much revenue, including closing outreach offices. Low-income people in rural parts of our service area will feel the greatest impact of our outreach office closings.

- Strategizing on ways to offer more information to low-income people on our website and Facebook page.
- Reviewing new ideas for automated legal documents to assist pro se litigants whom we can't otherwise serve.
- Connecting with state legislators to inform them about the important free services that we provide to constituents in their districts.
- Applying to private foundations and other alternative funding sources.
- Ramping up our brief services program.
- Strengthening our existing pro bono efforts.

WE NEED YOU to assist NPLS in any of the above action steps. Visit our website at www.northpennlegal.org to contact the local office nearest to you. We appreciate any support—volunteer and financial that you can provide.



Return Service Requested

www.northpennlegal.org

65 E. Elizabeth Avenue, Suite 800
Bethlehem, PA 18018



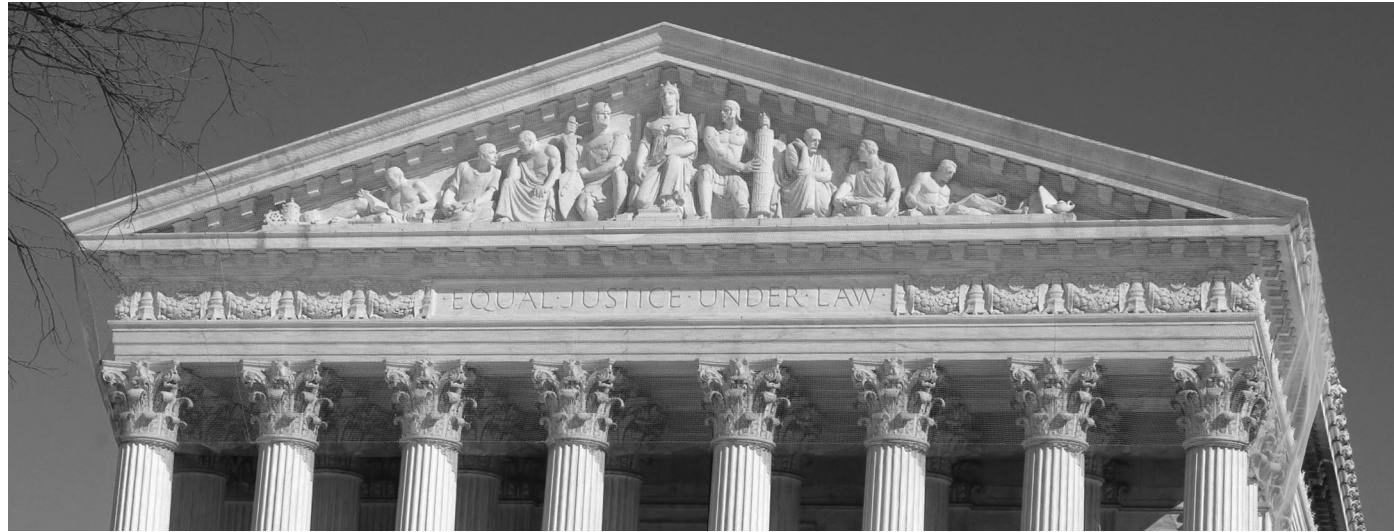
Nonprofit Org.
US Postage
PAID
Lehigh Valley, PA
Permit No. 655



www.northpennlegal.org

Legal Advocates for Low Income Families

U.S. Lags in Access to Civil Justice, According to Rule of Law Index



A new world-wide look at the rule of law ranks the United States in last place among similar countries in the category of access to civil justice. The report, the Rule of Law Index 2010, examines 35 countries according to 10 dimensions of the rule of law, including absence of corruption, order and security, fundamental rights and open government.

For one of those dimensions—access to civil justice—the U.S. is ranked last when compared with other “high-income” countries including Canada, Singapore, France and South Korea, and when compared with other countries in North America and Western Europe.

The report lists eight sub-factors which make up the dimension of

access to civil justice, including whether people can access and afford legal counsel in civil disputes and whether civil courts are accessible and affordable. The report was released on October 14 by the World Justice Project, which is sponsored by a variety of groups from around the world.

NPLS is making progress to ensure equal access to justice for low-income people in Northeast PA. However, we are only able to help 8% of our total poverty population. Last year, we served over 20,000 clients who otherwise would have been turned away for free legal help. The population for our total service area of 20 counties is 260,000.

Client feedback from recent online survey

“Bonnie and Teddy are wonderful and caring lawyers. Both attorneys have assisted me in different cases. I feel they did everything they could for me and treated me with dignity. Thank you.”

(Scranton office)

“I was delighted with the very professional help I received from Attorney Heaverly. She was informative, showed compassion and provided me with much support and good legal advice. I have already talked to other people about her professionalism.”

(Williamsport office)

“I thought the custody workshop was very helpful to me. The attorneys listened to my situation and gave great advice.”

(Bethlehem office)

“Attorney Conn was very helpful with my PFA. NPLS went out of their way to help me.”

(Wilkes-Barre office)

Spotlight on Pro Bono Attorney: Michelle DeWald, Esq.

Every Tuesday morning, the staff at NPLS' Bethlehem Office looks forward to seeing private bankruptcy attorney Michelle DeWald who has her office at 1683 Broadhead Court, Bethlehem. Attorney DeWald is a welcome addition to the office. She takes consumer and bankruptcy cases which eases the caseload for staff. Attorney DeWald primarily works with NPLS Paralegal Suzanne Moschini. According to Suzanne, “Michelle is able to help clients that we would otherwise turn away for service due to the overwhelming need.” In Lehigh and Northampton Counties, our Bethlehem office staff is comprised of 7 staff attorneys, 4 paralegals, and 4 support staff. They serve an area with a total poverty population of 88,601. Last year, 2,561 low-income people received free civil legal services.



Cheryl Coe—NPLS Paralegal receives one of the 2011 PLAN Excellence Awards

NPLS Paralegal Cheryl Coe was selected to receive one of the 2011 Pennsylvania Legal Aid Network (PLAN) Excellence Awards. The award was presented to Cheryl at the PLAN Awards Dinner on March 22, 2011. She was nominated for the award by Crystal Yaggie and Executive Director Vicki Coyle. The award is in recognition of Cheryl's outstanding work on behalf of our client community primarily in the area of Social Security Disability and public benefits. The award ceremony included a brief video showcasing Cheryl's significant impact on the community.



Ray Vernon, Jr., Esq.—Outgoing NPLS Board President

Ray Vernon will complete his two-year term as NPLS Board President in September 2011 at NPLS' annual meeting. Ray has served as an NPLS board member for more than 10 years. In addition to his board service, he has been a direct service volunteer at NPLS' Bethlehem Office helping our clients with their consumer debt problems and bankruptcy issues. The board and staff thank Ray for his leadership and volunteerism throughout the years.



Ten Great Myths of Landlord-Tenant Law

One of the oldest types of human relationship is that between a landlord and tenant. The law has certainly changed since the days of mud huts, castles, or log cabins, but the relationship still involves an owner agreeing to let someone else have exclusive use of his or her property in exchange for a payment called rent. This agreement is called a lease, and it can be written or verbal. A lease is simply a contract for the renting of space.

Many interesting misunderstandings have arisen about landlord-tenant law. Sometimes, the bad information comes from a cousin or neighbor. I call this “street law,” and I usually ask my client “Did your cousin go to law school?” The answer is always “no.” These are some of my favorite myths about the rights and responsibilities of landlords and tenants.

1. I never signed anything; therefore, I don't have a lease. The truth is that any verbal agreement is a valid and legally binding lease. There are very good reasons to have the agreement put in writing, but it is not a requirement unless the lease is for more than three years. One of the best reasons to have a written lease is that both parties have proof of their rights and responsibilities if there is a dispute.

2. The landlord gave me an eviction notice, but it isn't valid because it isn't notarized; or it isn't signed by a lawyer; or it isn't typed. Actually, an eviction notice is valid even if it is written on a paper napkin!! To be valid, the notice must say who is being evicted and when it is effective. Whether or not a reason has to be given depends upon the length and terms of the lease.

3. It's wintertime, so the landlord can't evict me. You can be evicted when it's raining, snowing, sleeting, or sunny. You can be evicted in the howling winds or bitter cold of January or the scorching heat of August.

4. The landlord can't evict me because I'm pregnant; or I'm old; or I'm disabled. The landlord can evict even if you're old or pregnant or disabled or because you lost your job, or any other reason. In fact, unless your lease says otherwise, the you can be evicted even if your rent is paid and for no reason at all. However, if your lease provides grounds for eviction, then the landlord cannot evict you unless you violated one or more of the specific parts of the lease. Also, you cannot be evicted BECAUSE of your race, religion, sex, national origin, age, or disability (provided reasonable changes in the apartment could be made to let you get around okay).

5. The landlord gave me an eviction notice, so I don't have to pay rent any more. The rent clock keeps ticking as long as the apartment or house is under your control. The obligation to pay rent continues until you have moved out and turned the key over to the landlord.

Landlords have their own set of myths or misunderstandings.

6. I own the place. If those no-good tenants don't clear out, I'll get the police in to clear them out. The police will inform the

landlord that it is a civil matter and direct him or her to their own lawyer or to the district justice.

7. I'm not waiting for the law; it's my place, I'll shut off their utilities or padlock their door or change the locks. It is illegal for landlords to do what is called self-help evictions. There is an orderly process the landlord must follow: first properly serve an eviction notice; next, file a civil landlord-tenant complaint through the office of the magisterial district justice; attend the scheduled hearing; wait a period of time after the hearing; and pursue eviction through a constable after the tenant's appeal period has run out.

8. The tenant stopped paying rent, so I'm not going to make any repairs or put oil in the tank. The landlord's duties to provide a safe and habitable dwelling are not dependent upon the tenant's obligations to pay rent.

9. I can go into the apartment any time I want because I own the place. Once the landlord has leased a house or apartment, he or she gives up the right to enter whenever they want. The tenant is entitled to peaceful use and quiet enjoyment” of the place. There are three situations when a landlord can enter the property: 1. In a true emergency, no notice to the tenant is required (fire, water leak, or similar events). 2. To inspect the place, after reasonable notice to the tenant. 3. To show the place in order to rent it later or to sell it, after reasonable notice. In both 2 and 3, the time of the landlord's entry must be reasonable (not at midnight or 7 a.m.)

10. I can raise the rent whenever I want even though there is a written lease. The terms of a written lease are binding on both parties during the term of the lease unless both parties agree in writing to a change.

11. I don't need to get a rent receipt because the landlord knows I gave him the rent. NEVER give rent to the landlord or his/her agent without getting a rent receipt. If the landlord says he doesn't give them, or he forgot his receipt book, YOU write out a receipt and get him/her to sign it BEFORE you hand over the money. It is amazing how often there are disputes about who paid what, and when it was paid.