

**December 8, 2015**

The Honorable Richard Cordray, Director  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

**Re: Change to Win Labor Federation submission regarding T-Mobile USA**

Dear Director Cordray:

The undersigned consumer, civil rights and social justice organizations are writing to request an investigation into T-Mobile USA's deceptive marketing claim of having "no contracts" as well as its systemic abusive debt collection practices.

After reviewing the complaint filed by the Change to Win Labor Federation, we are concerned that, without regulatory intervention, consumers will continue to enter into service agreements expecting a no obligation, month-to-month arrangement only to find that they are saddled with hefty equipment-related expenses if they terminate service.

We are also troubled by what appears to be a pattern of abusive debt collection by T-Mobile. Change to Win's research indicates that consumers' accounts are put into collection with little or no notice of the alleged debt and that T-Mobile gives third party debt collectors inaccurate account information with shocking regularity.

As advocates for the public interest and marginalized communities, we have witnessed how pernicious deceptive marketing and unethical debt collection can be in low-income consumers and communities of color. Much of T-Mobile's marketing is geared to consumers who have impaired credit or fewer financial resources. These customers are usually the targets of the most aggressive debt collectors and may not have the resources to fight an erroneous bill in court. Nearly half of T-Mobile's subscribers have subprime credit ratings and 53 percent of its customers are people of color.

The issues raised in Change to Win's complaint are growing in importance as cell phones take a more central role in our lives. Cell phone service has become a necessary part of people's everyday existence as well as the sole means through which millions of Americans make phone calls and access essential services on the Internet. This is especially true for low income communities and African American and Latino communities, who are more reliant on cell phones than the nation as a whole.

T-Mobile's deceptive advertising and unfair debt collection processes must be curbed before they spread across the wireless industry. Other carriers are now following T-Mobile's lead in claiming to offer "no contracts." As the wireless market evolves, consumers need regulators to ensure each carrier is providing accurate and straight-forward disclosures in its advertising. Furthermore, unless first party creditors like T-Mobile USA know they will be held accountable for their role in unethical debt collections practices, they will continue to send inaccurate and improperly noticed debt to third party collectors, thereby causing substantial financial harm to consumers.

We believe the CFPB has proven to be an important force in making consumer financial products more transparent and protecting consumers from predatory practices. We hope your office will move quickly to investigate T-Mobile USA in order to protect consumers from the company's troubling business practices.

Sincerely,

**Color of Change**

colorofchange.org

colorofchange.org

**League of United Latin American Citizens (LULAC)**



lulac.org

**Asian Pacific American Advocates**



ocanational.org

**Consumer Federation of California**



consumercal.org

**USAction**



usaction.org

**Center for Media Justice**



centerformediajustice.org