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NEWS RELEASE

CONTACT:

Art Heinz, communications coordinator
(717) 795-2062

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Supreme Court of Pennsylvania Sets New Standards Governing Consumer Credit Collection Claims

HARRISBURG, December 29, 2005 — Chief Justice of Pennsylvania Ralph J. Cappy today announced that new Rules of Civil Procedure have been adopted by the Supreme Court to provide a more efficient means to resolve disputes between credit card companies and card holders.

Rules of Civil Procedure 1326 through 1331 were adopted by the Supreme Court to govern proceedings to compel arbitration and to confirm arbitration awards in consumer credit transactions. The new rules create procedures that minimize court involvement while expediting a resolution for litigants.

The action fills a void created by the absence of civil procedural rules governing collection claims in consumer credit transactions. Specifically, the new rules were proposed in response to credit card agreements in consumer credit transactions that contain arbitration clauses covering the collection of claims. The new rules also ensure certain procedural safeguards — such as requiring actual notice of a claim — that previously did not exist.

“A more rapid resolution of these cases that draws on what was working well in the courts, and was not working well, is the desired outcome of these new rules,” Chief Justice Cappy said. “In general, the adoption of procedural rules has proven to be an effective vehicle for creating desired uniformity in addressing and supporting the effectiveness of the state court system.”

(The court order and the new rules are available on the Pennsylvania Judiciary Web site at: www.courts.state.pa.us)

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