

User & System Requirements

For those working on building a new debt court system, what user and system requirements should guide their choices?

DESIGN PRINCIPLES ^{for DEBT COURT}

- Help defendant **exit** the process as soon as possible, with minimal **\$** & **reput** damage
- Only ask defendant to do what is essential—
 - **cut** if it doesn't provide valuable info
 - **cut** if we can get that info elsewhere
 - **cut** if cost/burden is more than the value to a good resolution
 - **cut** if a person is unable to do it without an expert
- ◎ **3-STRIKE "DEFAULT"**
 - NO default judgment unless there have been 3 ERRORS/MISSO
- ◎ **EXPLAIN + NOTIFY AT EVERY STEP, INCLUDING AT "EXITS"**—make it clear + transparent

- ◎ **KEEP ALL COURT COMMS ON Texting** — though they can opt for website/email.
→ NO LOG-INS!
- ◎ you get **1 shot** to bring the person IN — have all the players & process for that one event.
- ◎ **Make ONE clear "DEFAULT" PATH.**
Don't make them choose or learn new options. (OVER)
- ◎ **DO Not try to "EDUCATE"** the person who just wants to exit ASAP.
- ◎ **BUILD a HELPFUL relationship** between court ↔ person. Have consistency + approachability. If possible have **main point** person.

New System Design Ideas

What are detailed new models we might consider to rethink how debt collection cases are resolved?

PRE-FILING



MEDIATION: POSSIBLE PAYMENT PLAN?

FILING

allow debt holder to ask court's help to collect \$. But restrict to those who can prove they own the debt & can find the defendant to serve/engage them in court process.



DEBT COLLECTOR/ATTY FILES SUMMONS COMPLAINT SUPPORTING PLEADINGS INTO THE COURT
 → MUST INCLUDE PHONE # OF DEF.
 → SHOULD BE CONFIDENT THEY CAN CORRECTLY SERVE DEF. w/in 10 DAYS

REVIEW: accept / reject

kick out cases that do not meet statutory requirements. Do not burden courts or defendants with them.



COURT CLERKS TOOLS ANALYZES PLEADINGS FOR SUFFICIENCIES. IF NOT → REJECT FILING

Notify Defendant of attempt to sue them, possibility of another suit

DEFENDANT NOTIFIED + ONBOARDED

Make sure the person knows they are in a lawsuit. Clarify that this is NOT a COLLECTIONS PROCESS. Stress they have options + help. Build a trusted relationship with the court



Process server gives -summons -cover sheet TO DEFENDANT TO FILE CURF-OF SERVICE COURT ASAP. (instant)



COURT SENDS MAILED NOTICE + TEXT + AUTO-REMINERS ONLINE → IN PERSON ... can change (e.g. scheduling) easy

OR CODE TO FILE CASE FILE CLEAR NEXT STEP HELP LINKS MSG: YOU HAVE OPTIONS GIVE SPECIFIC DATE, TIME, ACTION.

ENGAGEMENT + EARLY RESOLUTION

Let defendant accomplish "answer" through any contact or appearance. No fee or papers required. We just want to know we have the right person & we are in contact. Provide one-stop, all-together, pre-scheduled event.



COURT GIVES DEFENDANT A DATE + TIME TO APPEAR → ONLINE → IN PERSON ... can change (e.g. scheduling) easy

MESSAGE TO DEF. → Come, this is mandatory Judge will be there + help us We'll help you understand options, what you can do & enter it in 1 day FAST + HELP + TRACK

SUPPLEMENTAL ANSWER & HEARING

If the parties can't settle, then move towards judge-directed resolution. Have relaxed rules of evidence + minimal "answer" to file with only necessary missing facts. Ensure GRLs can participate equally



DEFENDANT COMES. WELCOME! CHECKED IN? COURT COORDINATOR COUNSELOR MEANS TESTING? COLLECTIVE? NO? EXIT

GO OVER COURT OPTIONS TO GRAB PER. BENEFITS, FUNDS MEDIATION POSSIBLE w/ NEUTRAL/ATTY. w/ COURT - BEFORE STIPULATED JUDGMENT COURT EXIT

AFTERWARDS...

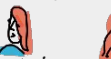
If there has been a non-order event, the court ensures there is no record that debt brokers could find to mark the defendant. The court follows up to understand outcomes & new conflicts.



COURT COORDINATOR REACHES OUT TO DEFENDANT ABOUT -OUTCOMES, SURVEY -OTHER PROGRAMS -NEW CONFLICT/ SETTLEMENT ISSUES

IF DEF DOES NOT ABIDE BY SETTLEMENT, JUDGE CAN ISSUE ORDER. -court system learns about inappropriateness of that agreement for that scenario

DEFENDANT DOES NOT SEE THIS LAWSUIT OR CREDIT, HOUSING, BACKGROUND REPORTS, UNLESS THERE WAS A JUDGMENT AGAINST HER.



DEF. PLAINTIFF COME TO HEARINGS. Judge has relaxed rules, "judge judge" style. -establish facts + -See if settlement is possible. -Possibly no judgment or order necessary, unless PAYMENT PLAN/SETTLEMENT BROKEN

JUDGES RULING + COURT ORDER EXIT

New Debt Court Model

Margaret's synthesis of parallel proposals made by TX, OR, CO, and NM judicial teams at IAALS 2 day event in Colorado Springs, Feb 2026. These were heavily shaped by Eviction Diversion and Foreclosure Diversion best practices.

PRE-FILING



MEDIATION: POSSIBLE PAYMENT PLAN?

Pre-Filing

Our groups did not spend much time here, but gestured to it as a possibility but not priority.

Filing

This step is largely unchanged from status quo, other than

- **Phone & email contact details of defendant required** to be submitted by order, in structured field in e filing
- **Warning if pleadings are not sufficient**, court will reject case (keep fee)
- **Warning that if proof of service is not filed within 10 days** of this filing, case will be dismissed w/o prejudice

FILING

allow debt holder to ask court's help to collect \$.
But restrict to those who can prove they own the debt & can find the defendant to serve/engage them in court process.



DEBT collector/ATTY
FILES
SUMMONS
COMPLAINT
SUPPORTING PLEADINGS
INTO THE COURT

→ MUST INCLUDE
PHONE # OF DEF.

→ SHOULD BE CONFIDENT
THEY CAN CORRECTLY
SERVE DEF. w/in
10 DAYS



Court Initial Review

This is a new step, reflecting a huge desire for automated pleading-sufficiency analysis.

The courts agreed this analysis should happen as soon as possible in the case life cycle -- right after filing fee and e-filing submission has been made.

If pleadings are not sufficient, then reject the filing (keep the fee).

Notify the defendant of the attempt to sue them, but clarify the court has rejected it. Let them know the plaintiff can bring another lawsuit.

REVIEW:
accept / reject

kick out cases
that do not meet
statutory require-
ments.
Do not burden
court or defendants
with them.



COURT CLERKS
TOOLS

ANALYZES
PLEADING FOR
SUFFICIENCY.

IF NOT → REJECT
FILING

EXIT

Notify ...
Defendant of
attempt to sue them,
court rejection,
possibility of
another
suit



Onboarding

This step is similar to California courts with eviction cases (but not the 10-day service requirement).

The defendant should be notified both by the Process Server and by the Court sending a notice (by mail, text, etc).

- The process server/atty must give service details & confirmed def. contact details to the court in short time frame. This is to
 - confirm the person is find-able
 - give the court a more reliable contact
 - let court calculate the deadline accurately
- The goals of this phase is to build a court-litigant texting relationship, and give them a very clear next step & the understanding they have options.

DEFENDANT NOTIFIED + ONBOARDED

Make sure the person knows they are in a lawsuit. Clarify that this is NOT a COLLECTIONS PROCESS. Stress they have options + help. Build a trusted relationship with the court



Process server GIVES

- Summons
 - COMPLAINT
 - COVER SHEET
- TO DEFENDANT

→ FILES certif. of SERVICE COURT ASAP. (instant?)

→ CONFIRMS correct address + gives to court.

IF doesn't file Service of Cert. w/in 10 days of filing → **DISMISSED w/o prej.**

Exit

→ ONCE court has service details: CALCULATE DEADLINE. SHARE w/ DEFENDANT



COURT SENDS MAILED NOTICE

+ TEXT + AUTO-REMINDERS + INFO/HELP/VIDEOS/ BOT

TO ALERT OF THE LAWSUIT

• COULD BE AFTER PROOF OF SERVICE FILED OR UPON FILING



QR CODE TO FULL CASE FILE

CLEAR NEXT STEP

HELP LINKS

MSG: YOU HAVE OPTIONS

GIVE SPECIFIC DATE, TIME, ACTION.

Notify Defendant of attempt to sue them, possibility of court rejection, possibility of another suit



Engage, Early Resolution

This step is inspired by successful Eviction & Foreclosure diversion programs. It has online & in-person versions. It satisfies answer requirement. It's a one-stop, one-event "fast track" to getting this case done with. The defendant is given a time, date, place to show up-- but can reschedule.

It is official but helpful. It has 4 key things happening.

- **Court coordinator** checks the person in, gives some initial guidance and sets expectations.
- **Magistrate/judge** welcomes to make it official and serious.
- **Counselor** who could be atty helps means-test to see if they're collection proof (exit if so). Goes over settlement options & payment realities, \$ benefits. Preps for mediation.
- **Mediation with plaintiff** to see if they can reach a settlement. Court provides a standardized form for settlement/stipulation. Coordinator or counselor confirms the person understands and can pay before finalized with judge. Tool may analyze.

ENGAGEMENT + EARLY RESOLUTION

Let defendant accomplish "answer" through any contact or appearance. No fee or papers required. We just want to know we have the right person & we are in contact. Provide one-stop, all-together, pre-scheduled event.



Hearing

If no settlement is possible in the early resolution day, then the judge takes over.

Both parties get a hearing date scheduled.

Only if necessary, the court sends a request to the defendant for a supplemental answer. But only if there is some key context missing. There might be a filing fee, but keep it light and informal.

Hearing should be 'Judge Judy' style

- **No strict rules of evidence**
- **Ability for SRL to get their facts, evidence, and preferences** across, without being hamstrung by procedure
- **Possible ability to pull in a counselor** if the judge wants to make sure the defendant thinks through payment plan
- **No judgment against defendant needed** if they can reach a payment plan. Only if one party breaks the agreement, then return for a judgment/order.

SUPPLEMENTAL ANSWER & HEARING

If the parties can't settle, then move towards judge-directed resolution. Have relaxed rules of evidence + minimal 'answer' to file with only necessary missing facts. Ensure SRLs can participate equally



COURT SCHEDULES TRIAL DATE

- ONLINE
- IN PERSON

NOTIFY DEFENDANT + PLAINTIFF.

- allow easy rescheduling online

- REQUIRES defendant to add any missing facts or requests thru 'answer'

could be submitted without form. Focus only on necessary info.



DEF., PLAINTIFF COME TO HEARING. Judge has relaxed rules, 'Judge Judy' style.

- Establish facts + requests
- See if settlement is possible

- Possibly no judgment or order necessary, unless

PAYMENT PLAN/SETTLEMENT BROKEN



EXIT with agreement

- Judgment + order only if necessary

JUDGE'S RULING + COURT ORDER
EXIT



After Court Process

Like with good eviction diversion programs, the court coordinator does a follow-up by phone, text, or in person with defendant.

- Check if there are other services possible, benefit programs
- Check if she is headed for personal bankruptcy, get referrals in order
- Check if payment plan is working out, or how to adjust it
- Possibly might go back to judge if settlement has not been lived up to

Also, work on rules and technology choices that prevent a non-judgment case from appearing on the defendant's credit report, background check, etc.

Possibly also (if not in contradiction) ensure this debt is on a public ledger as 'resolved' -- not to be brought again.

AFTERWARDS....

If there has been a non-order exit, the court ensures there is no record that data brokers could find to mark the defendant. The court follows up to understand outcomes & new conflicts.



COURT COORDINATOR REACHES OUT TO DEFENDANT ABOUT
- OUTCOMES, SURVIVAL
- OTHER PROGRAMS
- NEW CONFLICT/ SETTLEMENT ISSUES



DEFENDANT DOES NOT SEE THIS LAWSUIT ON CREDIT, HOUSING, BACKGROUND REPORTS, UNLESS THERE WAS A JUDGMENT AGAINST HER.

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JUDGE'S RULING + COURT ORDER EXIT

- court system learns about inappropriateness of that agreement for that scenario