



FOR IMMEDIATE RELEASE

Accounts Receivables Management Industry Calls On Congress to Keep FTC As Exclusive Regulator

WASHINGTON, March 19, 2010 – The four organizations representing the nation’s accounts receivables management industry are calling on Congress to keep the Federal Trade Commission (FTC) as the exclusive regulator of debt purchasers and collectors. This unprecedented action by these trade groups to come together is a response to proposed legislation that would strip the FTC of its powers and place the industry under a new authority.

DBA International, ACA International, the Commercial Law League of America, and the National Association of Retail Collection Attorneys, represent thousands of businesses throughout the United States who purchase and collect delinquent consumer debt, employing hundreds of thousands throughout the United States and returning \$40 billion annually to the economy.

Since 1978, the accounts receivables management industry has been regulated by the Fair Debt Collection Practices Act (FDCPA). FDCPA sets legal standards under which debt buyers and collectors conduct their business, defines the rights of consumers involved with debt collectors; and prescribes penalties and remedies for violations of the Act.

The Federal Trade Commission (FTC) has enforced FDCPA since its inception. A current bill proposed by Sen. Christopher Dodd (D-CT) would strip the FTC of its power to enforce FDCPA and move those powers to a new bureau within the Federal Reserve.

“We are not running from regulation, we simply want an appropriate regulator,” the groups said in a joint statement. “The bureau, as proposed by Sen. Dodd, is geared toward banks and others depository institutions. The FTC **is** the appropriate venue for our industry.”

“We understand Congress’s intent to create a new bureau, and agree there is a need for fresh oversight in many areas. But the FTC has done a commendable job protecting the rights of consumers and bringing law enforcement action against outliers in our industry. Moving regulatory authority over the debt collection industry to a new bureau with unprecedented powers would neither help consumers nor businesses, creating uncertainty that would hinder effective compliance with existing regulations.”

“And ineffective regulation leads to unintended consequences that could damage the debt industry, which is critical to our nation’s economic and credit health.”

In support of the FTC, the four organizations reference several measures that the FTC has recently taken:

Keep FTC As Exclusive Regulator (continued)

FTC's Debt Collection Workshop: The FTC conducted a workshop that served as a comprehensive overview of the accounts receivables management industry. The report from this workshop contained a slate of recommendations to the Congress to reform the FDCPA.

FTC's Order for Information from Debt Buyers: On December 16, 2009, the FTC called upon nine of the nation's debt purchasing organizations to provide the commission with specific financial and operating information. While the FTC has yet to state what actions may result from this order, this close examination of the consumer debt resale market is an example of the FTC's continued interest in the oversight of the debt buying industry.

Major Settlements: The FTC continues to seek actions against firms charged with violations of FDCPA. As recently as earlier in March, the FTC announced another settlement resulting in a \$1 million civil penalty.

FTC's Annual Report: Every year, the FTC issues a comprehensive annual report to Congress summarizing its findings with respect to its FDCPA enforcement activities. Most recently the FTC used the report to reiterate its call for reform and modernization of the FDCPA, now more than 30 years old.

The group concluded: "We are not seeking an easier regulator. Given the FTC's specific expertise at governing the debt industry, and given how pre-occupied a new regulator would be addressing issues other than those from FDCPA, we are calling upon Congress to leave the industry's regulatory powers with the FTC. The FTC is an effective protector of consumers' interests when it comes to the FDCPA. There is no need to break up something that is already working effectively for the American people."

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About Us

About ACA International

ACA International, the Association of Credit and Collection Professionals, is the comprehensive, knowledge-based resource for success in the credit and collection industry. Founded in 1939, ACA brings together more than 5,500 members worldwide, including third-party collection agencies, asset buyers, attorneys, creditors and vendor affiliates. The association establishes ethical standards; produces a wide variety of products, services and publications; and articulates the value of the credit and collection industry to businesses, policymakers and consumers. <http://acainternational.org/>

About CLLA

The CLLA is the nation's oldest organization of attorneys, collection agencies, judges, accountants, trustees, turn around managers and other experts in credit and finance actively engaged in the field of commercial law, bankruptcy and insolvency. For more information, visit <http://www.cla.org>

About DBA International

DBA International is the trade association and voice for the debt buying industry. DBA sets ethical and business conduct standards for the industry. Debt buyers are financial institutions that purchase uncollected accounts from originating lenders for less than the face value of the debt. Debt buyers are therefore able to settle debts with consumers at deep discounts. This allows a consumer to improve their credit record and, by doing so, to increase their access to, and reduce their cost of credit. <http://dbainternational.org/>

About NARCA

The National Association of Retail Collection Attorneys (NARCA) is a nationwide trade association of over 700 skilled debt collection law firms and in-house counsel of creditors. NARCA's members are required to adhere to a strict Code of Professional Conduct and Ethics. Each attorney employed by a NARCA law firm member is licensed by one or more state's highest court and is governed by Rules of Professional Conduct that are enforced by a mandatory grievance procedure. Every state has laws and court rules governing legal process and courtroom procedure, to which members are subject from the moment a case is filed until the satisfaction of a subsequent judgment. NARCA members are committed to the fair and ethical treatment of all participants in the debt collection process. www.narca.org