

1700 G Street NW, Washington, DC 20552

MEMORANDUM

DOCKET: 84 FR 23274
2019-09665
Docket No. CFPB-2019-0022 /RIN 3170-AA41

DATE OF EX PARTE COMMUNICATION: May 8, 2019

SUBJECT: Meeting with Industry Representatives on Debt Collection Practices (Regulation F)

PARTICIPANTS: CFPB: Director Kraninger, Brian Johnson, David Silberman, Andrew Duke, Jennifer Stockett, John McNamara

Industry: Mark Neeb, Leah Dempsey, Karen Sheibe Eliason, Jack Brown, Rick Perr, Eileen Bitterman, Michael Barrist, Leslie Bender, Ralph Liberio, Jim Beck, Michael Kraft, Stephanie Eidelman, Jan Stieger, Marian Sangalang, Jim Mastriani, Don Maurice, Brit Suttell, Nathan Wilner, Michele Gagnon

SENDER: Leah Dempsey, ACA International

MEMO PREPARED BY: Derek Standarowski, Office of Financial Institutions and Business Liaison, External Affairs

On May 8, 2019, the representatives from the CFPB identified above met with [insert name(s) and organization(s)] regarding the notice of proposed rulemaking Debt Collection Practices (Regulation F). They communicated the role of the accounts receivable management industry and the importance of clear rules. ACA International provided the attached information that accurately summarized the roundtable discussion.

ATTACHMENT: May 8, 2019 Industry Roundtable Discussion – Debt Collection Practices.



May 20, 2019

VIA ELECTRONIC DELIVERY TO REGULATIONS.GOV

Comment Intake
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Re: Notice of Ex Parte Presentation at Industry Roundtable Discussion - Debt Collection Practices (Regulation F) [Docket No. CFPB-2019-0022]

I. Participants

CFPB staff:

Director Kathy Kraninger
Jennifer Stockett
Brian Johnson
Andrew Duke
John McNamara
David Silberman

Industry representatives:

Mark Neeb, CEO, ACA International
Leah Dempsey, Vice President and Senior Counsel of Federal Advocacy, ACA International
Karen Scheibe Eliason, Vice President and Senior Counsel, ACA International
Jack Brown, President Gulf Coast Collection Bureau, Inc. and ACA International President
Rick Perr, Partner, Partner, Fineman Krekstein & Harris, P.C and ACA International Past-President
Eileen Bitterman, Shareholder, Weltman, Weinberg & Reis Co., L.P.A
Michael Barrist, CEO, Radius Global Solutions
Leslie Bender, Chief Strategy Officer and General Counsel, BCA Financial Services
Ralph Liberio, President and CEO, NCB Management Services, Inc.
Jim Beck, Chief Operations Officer, MRS BPO, LLC
Michael Kraft, General Counsel, The CCS Companies

Stephanie Eidelman, CEO, The iA Institute and Executive Director, Consumer Relations Consortium
Jan Stieger, Executive Director, RMAI
Marian Sangalang, RMAI President and Vice President at The Bureaus
Jim Mastriani, RMAI President-Elect and President of Velocity Receivables
Don Maurice, RMAI Legal Counsel, Maurice Wutscher Law Firm
Brit Suttell, Attorney, Consumer Financial Services Law, Barron & Newburger, P.C.
Yale Levy, President, National Creditors Bar Association
Nathan Wilner, Government Affairs Officer, National Creditors Bar Association
Michele Gagnon, Attorney, Lyons, Doughty, and Veldhuis, P.C.

II. Discussion

On May 8, following the debt collection town hall in Philadelphia, representatives from the accounts receivable management industry met with CFPB staff for an introductory meeting to Director Kathy Kraninger and to discuss some very initial thoughts on the proposed rule, which was released the day before. The discussion included a diverse group of industry representatives including third-party collection agencies, asset buyers, attorneys, and representatives from ACA International, RMA International, the National Creditors Bar Association, and The iA Institute and Consumer Relations Consortium,

During the meeting industry representatives talked about the many economic benefits that the industry provides to the larger economy, and more specifically the role the accounts receivable management industry plays in ensuring that consumers can continue to access credit and services.

During the meeting the following items were discussed:

- The ability to send emails and text messages to consumers recognizes their preferences. Clear guidance on the use of modern methods to communicate with consumers including email messages and text messages is necessary since this is how many people are communicating in 2019, as opposed to 1977 when the FDCPA was enacted and these were not predominant forms of communication.
- During the discussion there were questions about specifics such as the thinking around how to differentiate between work and personal emails, particularly if a consumer uses them interchangeably.
- It was noted that the limited content voicemail included in the rule is important for addressing the statutory Catch-22 in the FDCPA that has led to frivolous litigation. The group pointed out that this will also likely lead to fewer phone calls and more control for consumers to listen to messages at their convenience.
- The group also discussed various FDCPA frivolous lawsuits and related rulings in different circuits throughout the country. This patchwork of interpretations of the FDCPA by the courts, as well as a cottage industry of plaintiffs' attorneys, who have done little to protect consumers, has led to confusion for those seeking to comply and consumers seeking to understand their rights.

- There were several questions about how the telephone call frequency limit, or seven call cap, would apply to unique circumstances. There were also questions about the CFPB's data and research used to support the cap including the commentary's mention of third party call blocking and labeling apps. The group discussed consumer harm that could result if phone conversations were arbitrarily limited, such as an inability to connect to discuss payment plans, waiving fees, and other benefits for consumers.
- The group also discussed that call blocking and labeling technologies have blocked legitimate business calls to consumers about information they need. Industry urged the Bureau to work with the Federal Communications Commission to ensure that there was not overlap or conflict with Telephone Consumer Protection Act, or call blocking and labeling rules.
- Industry also discussed the model validation notice and provided some initial thoughts on improvements that could be made to it. There were also some initial thoughts on new proposals surrounding time barred debt.
- Some of the benefits of live phone calls and face to face communication to work out an unpaid debt were also discussed. The group provided examples of positive outcomes when consumers were able to resolve a debt after engaging in a discussion.

Sincerely,

A handwritten signature in black ink that reads "Leah Dempsey". The script is cursive and fluid, with the first name "Leah" and last name "Dempsey" clearly distinguishable.

Leah Dempsey
Vice President and Senior Counsel, Federal Advocacy
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