

**For Immediate Release**

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**LEADERS OF DEBT BUYERS ASSOCIATION (DBA)  
INTERNATIONAL TO PARTICIPATE IN FEDERAL  
TRADE COMMISSION (FTC) WORKSHOP**  
*Discussion Viewed As Important Step In Consumer Debt  
Collection Practice Reform*

McLEAN, Virginia, Oct. 10, 2007 – DBA International, the association of industry professionals dedicated to building a reliable and credible market for delinquent receivables, has been working directly with the FTC to implement consumer protections outlined by the Fair Debt Collection Practices Act (FDCPA). Today and tomorrow, three leaders from DBA International, Barbara Sinsley, Stacey Schacter and Gary Wood, as well as other representatives from the consumer debt industry will participate as panelists in a two-day workshop hosted by the FTC. Outdated law and policies that have not kept pace with technological advances helped ignite the workshop that is designed to initiate dialogue between industry members and government about the past, present and future of debt collection.

“DBA International encourages compliance with the FDCPA from all of its members,” says Barbara Sinsley, General Counsel for DBA International. “Representatives of the association encourage communication with the FTC on regulatory and educational efforts and agrees with enforcement efforts for those that are in violation and the FDCPA. Our members work with consumers to resolve their accounts amicably and moving forward, it is imperative that we have clarity on how to legally communicate with our customers. Members of DBA International appreciate this workshop as a forum for identifying concerns, sharing information, and creating feasible solutions to the challenges facing our industry.”

As part of the workshop discussion, panelists from DBA International will discuss the economic benefits of debt buying to the U.S. economy. Creditors sell their accounts and the income from the sale is cycled back to consumers in the form of lower interest rates and greater extension of credit. When creditors write off and sell a portion of uncollected debt, the debt buyers often are able to negotiate better repayment terms for consumers over longer periods of time.

“We can customize a repayment plan to help keep the consumer’s difficult financial situation from worsening and keep the consumer out of bankruptcy,” says Stacey Schacter, member of the DBA International Board of Directors and president of a receivable purchasing company. “In a society where consumers are encouraged to borrow money, creating opportunities to repay their lawful debt rather than avoid payment is paramount. While there is more work to be done, great progress has been made in providing consumers with information about fees, interest and principal owed

from the original creditor and DBA International supports the FTC's efforts to improve communication with consumers."

DBA International panelists agree that while the proposals for FDCPA reform have merit, they warrant careful attention and study moving forward. Although standardization of statutory law is needed and amendments to the FDCPA may be necessary, DBA International members believe self-regulation and constant vigilance to compliance efforts should play a significant role in helping to assure industry best practices.

"The debt buying industry is relatively new," says Gary Wood, president of the DBA International, "and our association is continuing to evolve and mature. We continue to seek ways to develop strong self-regulatory safeguards that address debt buying and are compatible with measures related to collection activity. Collectors should behave ethically and should comply with the laws and regulations which the FTC enforces. Debtors should repay what they borrowed unless circumstances make it impossible, and when that happens, the debt collector should stop collecting."

"We want to play by the rules," Schacter says. "We just need to make sure we all know what the rules are and how they are interpreted." A clear set of rules and uniformity in compliance standards will minimize error, according to DBA International leaders. Members of the association believe the workshop is the first step toward resolving conflict and developing a balanced approach to deal with the current inconsistencies in the statute and prevailing case law.

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#### About DBA International:

DBA International is the premiere association for a billion dollar industry, and extends throughout all fifty states, as well as Puerto Rico and Guam. In recent years, DBA International has gained the interest of respected organizations elsewhere in the free world. These businesses comprise entities from the automotive, banking, retail, telecommunication, utility, government, real estate and other industries.

The DBA International members comprise successful financial service organizations throughout the United States. Members and partners include major banks and financial institutions, respected law firms, major credit bureaus, accounting firms, investment bankers, and high profile Wall Street institutional investors.

The purpose of DBA International is to serve the debt buying and financial industries by:

- Providing a code of ethics for members of the association;
- Creating a networking environment for participants in the industry;
- Providing educational seminars;
- Providing compliance guidance;
- Keeping member apprised of constantly evolving state and federal laws;
- Providing industry conferences;
- Establishing standardized industry terminology;
- Tracking and analyzing relevant federal and state court opinions as they apply to the debt buying industry; and
- Providing a national voice for debt buying in Washington, D.C. and respective states.

For additional information or to schedule interviews, please contact Ryan Wall, Associate Director of DBA International by calling 703-245-8017 or email [rwall@dbainternational.org](mailto:rwall@dbainternational.org).

## **DBA International Panelists for the FTC Workshop** ***Collecting Consumer Debts: The Challenges of Change***

### **GARY WOOD**

***President of DBA International***

***President of Collins Financial Services***

Dr. Wood has been with Collins Financial Services since 1997. Collins Financial purchases, resells and collects distressed consumer debt. Dr. Wood is President of DBA International, formerly known as the Debt Buyers Association.

Dr. Wood earned his Ph.D. in Banking and Finance from the University of Texas at Austin. To mention but a few of his past positions and duties: he served with the U.S. Air Force and the Central Intelligence Agency; served as Staff Economist for Senator John Tower; was named Chief Economist of the Republican Policy Committee, U.S. Senate; was a Finance Professor and Director of Governmental Affairs at Baylor University; and is former Director of the Federal Reserve Bank of Dallas. He also served as a member of the Regional Advisory Oversight Board of the R.T.C. Prior to joining Collins Financial Services, he served as President of the Texas Research League, a public policy research organization.

### **BARBARA SINSLEY, P.A.**

***General Counsel of DBA International***

***Partner, Barron, Newburger, Sinsley & Wier PLLC***

Ms. Sinsley received her B.A. in Behavioral Science and Law and Psychology from the University of Wisconsin-Madison and her J.D. from South Texas College of Law. She was admitted to practice law before the Florida Supreme Court in 1990, and she is also admitted to practice before the United States District Court for the Middle District of Florida and the United States Court of Appeals for the Eleventh Circuit. Ms. Sinsley was Certified by the Supreme Court of Florida as a Mediator in 2001.

Immediately prior to joining the firm Ms. Sinsley was Vice President and Compliance Counsel for Asset Acceptance Capital Corp. Prior to joining Asset Acceptance in 2002, she was a partner at the firm of Marshall, Dennehey, Warner, Coleman, and Goggin, in charge of the firm's Fair Debt Collections Department. From 1995 to 2002 Ms. Sinsley represented numerous attorneys, foreclosure firms, collection agencies, and major lending institutions in class actions and individual suits under the Fair Debt Collection Practices Act, as well as handling matters involving commercial litigation, creditors' rights, and bankruptcy.

She began her career in collections and from 1990 to 1995 she represented major lending institutions in Florida on collection matters on a state-wide basis. She also was counsel to the Association of Florida Foreclosure Attorneys and assisted in securing the amendments to the Florida Consumer Collection Practices Act. Ms. Sinsley has frequently acted as a private consultant in class actions. She represented Wells Fargo as *amicus curiae* in *In Re: Martinez*, 266 B.R. 523 (S.D. Fla. 2001). She has been quoted in the *Wall Street Journal*, *Lawyers Weekly USA*, the *Tallahassee Democrat*, and the *St. Petersburg Times*.

Ms. Sinsley is a member of the Florida Bar. She is a member of the National Association of Retail Collection Attorneys (NARCA) where she serves on the Laws and Legislation Committee, and was previously co-founder and the co-chairperson of the In-house Counsel Division of NARCA. She is an active member of ACA International as a Maplist member, and has been awarded the Red Coat Award by the ACA. She is a member of DBA International, where she serves on the Association's Legal Advisory Panel. She serves as the DBA's General Counsel.

### **STACEY SCHACTER**

***DBA International Board of Directors  
President, OSI Portfolio Services, Inc.***

Mr. Schacter is responsible for the day-to-day operations of OSI Portfolio Services including portfolio acquisitions, appraisals and strategic direction. Prior to this position, Mr. Schacter was the CEO, President and Chief Legal Officer of EMCC, Inc. providing leadership and direction for all business activities and responsible for all major operational decisions. He was partner in a law firm specializing in corporate mergers and acquisitions, specialized asset acquisitions, international business transactions, technology, real estate, business reorganizations, workouts, bankruptcy, commercial, banking and restructuring. Mr. Schacter was the primary attorney responsible for transactions ranging from \$100 to \$200 million. He participated in major acquisitions with large, Fortune 500 companies. Upon graduating from Ohio University School of Law, Mr. Schacter took a position as an associate with a law firm focusing on general corporate and securities litigation. Mr. Schacter graduated from Miami University in Ohio with a Bachelor of Science in accounting and business economics. He passed his CPA exam in 1986.

# **DBA International Perspective on the Pivotal Issues Surrounding the Debt Industry**

The FTC has recognized that the timely payment of debts is important to creditors and that the debt collection industry offers useful assistance to make certain that occurs. In order to fully comply with regulations, the DBA International seeks reform in three areas: clarity on communication; reconciliation of conflicting statutes and cases; and reform of the legal process.

Debt buyers engage in detailed due diligence before purchasing accounts to make sure that the accounts are valid; thereafter expending thousands, if not millions, of dollars on technology, compliance efforts, training and protection of the privacy of the consumer by implementing safety and security plans. Information security begins with due diligence in the purchase of debt and continues throughout the life of the account through the interface with the credit bureaus.

## ***Responsibility***

With opportunity comes responsibility and begins with the consumer who incurs the debt. Responsibility extends to those trying to collect on delinquent accounts. They must be accountable for compliance with the laws, regulations and court decisions despite the lack of standardization, and most importantly, they have a responsibility to treat the debtor with respect. Additionally, debt buyers are accountable to provide a reasonable return to their investors and plaintiff's attorneys and consumer advocates have a responsibility to acknowledge that debts are in fact incurred with the understanding that they must be repaid. It is not a crime to try to collect on those debts and most consumers want to repay the money. The collector must distinguish between those who can't pay, and those who won't pay and act accordingly. Debt buyers write off thousands of accounts once it is established that the debtor can't pay. There is really no role for government in making this decision...

## ***Uniformity***

The industry seeks clarity regarding contacting customers. With the introduction of technology such as cell phones, email, VOIP, and others, the FDCPA is left up to the collector's interpretation of guidelines regarding appropriate contact. Uniformity on compliance matters is essential. Federal laws conflict with other federal laws. Federal laws conflict with state laws. The maze of state regulations and court cases can be very daunting to understand and therefore uniformity is necessary to aid compliance and allow equitable enforcement by the FTC.

### ***Contact Verification***

Though verification presents some challenges, case law seems to be moving toward a reasonable result. Identifying the correct person responsible for the debt absolutely depends upon access to social security numbers. To uphold privacy for our customers and to ensure accuracy in our efforts, collectors must be assured that they are speaking with the correct individual. The industry only wants to speak to those individuals responsible for the obligation.

### ***Time-Barred Debt***

Relieving consumers of debt should be minimized. The money was borrowed, used and the debtor should remain responsible to repay the debt which should not be null and void after a certain number of years. Currently, collectors are generally limited in the use of the courts by state statute of limitations laws, yet class action suits seeking exorbitant reimbursement for damages are encouraged and upheld. Legal reform is appropriate to amend the restrictions on debt collection practices.

## Statistics on Consumer Debt in the United States

- More than 75 percent of U.S. households participate in the consumer and mortgage credit markets.
- More than 68 percent of U.S. households own their own homes, and nearly two-thirds of those homeowners have some type of mortgage loan.
- Consumer credit in August, 2007 increased at an annual rate of 6 percent. Revolving credit during that same time period increased at an annual rate of 8 percent.
- There are 1.3 billion payment cards - including credit cards, debit cards and store cards - in circulation in the United States. The average American home has 13 payment cards.
- Americans make over 1.5 trillion dollars worth of credit card purchases annually.
- The typical credit card purchase is 112% higher than if using cash.
- Over 40% of US families spend more than they earn.
- Americans carry, on average, \$8400 in credit card debt. If one were to make a 2% payment every month at an annual APR of 15%, it would take about 30 years to pay off and include about \$13,000 in interest.
- The average U.S household pays \$950 in interest each year.
- About 18% of all U.S. personal consumption expenditures (PCE) are made on bank credit cards. If retail cards and debit cards are included, the figure rises to 24%.
- 96% of all Americans be financially dependent on the government, family, or charity at retirement.