



January 21, 2019

Chairwoman Maxine Waters  
U.S. House Committee on Financial  
Services  
Rayburn House Office Building  
Washington, DC 20515

Ranking Member Patrick McHenry  
U.S. House Committee on Financial  
Services  
Rayburn House Office Building  
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of ACA International (ACA), the Association of Credit and Collection Professionals, I am writing in regards to House Financial Services Committee concerns regarding the federal government shutdown. ACA International is the leading trade association for credit and collection professionals representing approximately 3,000 members, including credit grantors, third-party collection agencies, asset buyers, attorneys, and vendor affiliates in an industry that employs more than 230,000 employees worldwide.

In a recent letter to several trade association leaders Chairwoman Waters wrote,

“As a result of the shutdown, affected borrowers, through no fault of their own, are facing immediate hardship in making timely payments on debts such as mortgages, student loans, car loans, business loans, or credit cards. Furthermore, once negative information is reported to consumer reporting agencies, affected employees are likely to see a reduction in their credit scores. This may limit their ability to access credit or result in their being offered higher rates and more costly terms on credit in the future. Prudent workout arrangements that are consistent with safe-and-sound lending practices are generally in the long- term best interest of the financial institution, the borrower, and the economy.”

We could not agree more with some of your concerns, and particularly your statements surrounding the benefits of workout arrangements. ACA members have long worked to engage in open communications with consumers about their financial situations to help provide solutions for resolving debts. Consumers need the information that ACA members provide them to maintain their financial health, and open communication can often lead to the most favorable outcome for them. Without the ability to communicate with consumers about payment plans and other more favorable outcomes, creditors are often left with no choice but to engage in litigation or negative credit reporting. ACA members too, generally believe this should be a last resort. Specifically, in the case of the federal government shutdown, it would be critical to understand the financial hardship these employees are faced with, and to engage in a dialogue about what can be done to avoid any adverse actions that could impede their ability to access credit in the future.

Without the information that ACA members provide to consumers, they cannot make informed decisions that help preserve their ability to access credit, medical care, and a host of other goods

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and services. ACA members play a key role in helping consumers fulfill their financial goals and responsibilities, while facilitating broad access to the credit market.<sup>1</sup> Federal government employees, and all consumers, should be treated with dignity and respect. An important part of this is working with these consumers to resolve any financial hardship in the most favorable way possible.

Thank you for your leadership in highlighting some of the problematic consequences that can result from not addressing unpaid debt. ACA also has been supportive of efforts to end the federal government shutdown. We look forward to working with the House Financial Services Committee on our mutual goal of helping consumers resolve any less than ideal financial situations.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Neeb', with a stylized flourish at the end.

Mark Neeb  
Chief Executive Officer  
ACA International

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<sup>1</sup> In 2016, third-party collection agencies recovered approximately \$78.5 billion in total debt and returned \$67.6 billion to creditors. This return to creditors represents an average savings of \$579 per household, as businesses were not compelled to compensate for lost capital through increased prices.