



June 13, 2022

Chairwoman Maxine Waters
House Financial Services Committee
Washington, D.C. 20510

Ranking Member Patrick McHenry
House Financial Services Committee
Washington, D.C. 20510

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of ACA International, the Association of Credit and Collection Professionals (ACA), I am writing regarding H.R. 6814, the Small Business Fair Debt Collection Protection Act. ACA represents approximately 2,100 members, including credit grantors, third-party collection agencies, asset buyers, attorneys, and vendor affiliates in an industry that employs more than 125,000 people worldwide. Most ACA member debt collection companies, however, are small businesses. Women make up 70% of the total debt collection workforce and it is ethnically diverse.

ACA members' compliant work to help consumers represents an average savings of more than \$700 for every American household. The accounts receivable management (ARM) industry plays a critical role in keeping America's credit-based economy functioning with access to credit at the lowest possible cost. Data from 2018 shows that the total net debt returned to creditors through the ARM industry's work with consumers amounted to nearly \$90.1 billion. This work benefits all American consumers and keeps the costs of goods and services down during a time when rising prices are harming Americans throughout the country. ACA members have numerous compliance and ethical standards that they work toward through industry-sponsored education and certifications. In short, ACA members are committed to helping consumers resolve their legally owed debts in a responsible way, consistent with the Collector's Pledge that all consumers are treated with dignity and respect.

The stated purpose of H.R. 6814 is to protect small businesses by subjecting commercial transactions to Fair Debt Collection Practices Act coverage. Specifically, this legislation would apply to debts collected from businesses with loans or obligations of less than \$5 million. This legislation disregards the significant difference between consumer debt and commercial debt and aims to stretch a statute that was created in the 1970s from consumers to various businesses and creditors. Moreover, there are several practical considerations, such as the fact that many small businesses are also creditors that are trying to collect the debts owed to them and know.

The vast majority of ACA members are small-business owners, and like other small-business owners, they are sophisticated entrepreneurs that understand the gravity of legal agreements that they enter into, and the impact of collection efforts associated with nonpayment on accounts. An outdated

statute, which was created for the purpose of consumer protection, would not add any additional protections to business owners who already are corporate entities and LLCs. Predatory plaintiffs' firms that seek to profit from the statutory damages associated with the FDCPA would be the only group protected by this legislation. As such, we do not believe H.R. 6814 is necessary, and oppose its passage.

Thank you for your leadership and attention to the concerns of the ARM industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Purcell". The signature is fluid and cursive, with the first name "Scott" written in a smaller, more compact script than the last name "Purcell", which features large, sweeping loops.

Scott Purcell
Chief Executive Officer