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**By Electronic Submission**

Ms. Monica Jackson  
Office of the Executive Secretary  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552  
[www.regulations.gov](http://www.regulations.gov)

**Re: Request for Information Regarding the Bureau's Supervision Program (Docket No. CFPB-2018-0004)**

Dear Ms. Jackson:

This letter is submitted on behalf of the Receivables Management Association International ("RMA") in response to the referenced Request for Information Regarding the Bureau's Supervision Program ("Supervision Program").

We appreciate the opportunity to provide comments and information on the Supervision Program to the Bureau of Consumer Financial Protection ("Bureau"). While our membership includes both depository and non-depository financial institutions, RMA's responses will be limited to non-depository "larger participants" in the debt collection industry, as was defined in rule by the Bureau in 2012.

**I. INTRODUCTION**

RMA is a national nonprofit trade association representing over 500 companies that purchase or support the purchase, sale, and collection of performing and nonperforming receivables on the secondary market. Our membership includes banks, debt buying companies, collection agencies, collection law firms, and brokers.

RMA is a national leader in promoting strong and ethical business practices within the receivables management industry. RMA requires all its member companies who are purchasing receivables on the secondary market to become certified through RMA's Receivables Management Certification Program ("RMCP") as a requisite for membership (publicly available at <https://rmassociation.org/certification/>).

In addition to requiring that certified companies comply with local, state, and federal laws and regulations concerning collection activity, the RMCP goes above and beyond the requirements of local, state, and federal laws and regulations by requiring companies to comply with additional requirements not addressed by existing laws and regulations. The debt buying companies certified by the RMCP hold approximately 80 percent of all purchased receivables in the United States, by RMA's estimates.

RMCP certified companies are subject to vigorous and recurring independent, third-party, audits to demonstrate to RMA their compliance with the Certification Program. This audit includes an onsite inspection of the certified companies to validate full integration of RMCP standards into the company's operations. Following a company's initial certification, review audits continue to be conducted every three years.

RMA also requires certified companies to engage a chief compliance officer, with a direct or indirect reporting line to the president, chief executive officer, board of directors, or general counsel of the company. The chief compliance officer must maintain individual certification through the Program by completing 24 credit hours of continuing education every two years.

## **II. COMMENTS**

Our comments reflect the experiences and observations of RMA and its members who engage in the receivables industry. These experiences suggest that changes in the Bureau's Supervision Program are warranted due to unnecessary disruptions to the business community and consumers caused by the current program.

Our comments are summarized as follows:

### **A. Definition of "Larger Participant"**

#### Regulatory Provisions:

12 CFR 1090.101 (Subpart A) defines "larger participant" to mean "a nonbank covered person that has met a test under subpart B of this part within the period provided in § 1090.102 of this part."

12 CFR 1090.105 (Subpart B) provides the following test to define a "larger participant" in the Consumer Debt Collection Market: "A nonbank covered person is a larger participant of the consumer debt collection market if the nonbank covered person's annual receipts resulting from consumer debt collection are more than \$10 million."

#### Impact on Small Businesses:

RMA appreciates the important role the Bureau plays in the development of rules concerning consumer debt collection. RMA has and continues to be a strong advocate for robust and vigorous consumer protections such as the industry-leading standards contained in the RMCP. Likewise, RMA supports the statutory structure created in 12 U.S.C. 5514(a)(1)(B) that grants

supervisory authority over larger participants within the debt collection industry since the vast majority of all consumer accounts are held or managed by these participants.

However, RMA respectfully believes that the Bureau approved an inappropriate threshold for determining what size of a company constitutes a “larger participant” in the Consumer Debt Collection Market when it arbitrarily chose \$10 million in annual receipts. RMA urges the Bureau to weigh market coverage against the burden that would be placed on those small businesses that would be subject to supervision at the \$10 million threshold. Throughout the legislative history of the Dodd-Frank Act, President Obama and the Congress expressed an interest in reducing the Bureau’s supervisory burden on small banks. This principle should be applied to small non-depository institutions as well.

RMA recommends that the Bureau give consideration to increasing the threshold to \$50 million to provide regulatory relief to companies that are small businesses. RMA estimates that a \$50 million threshold would still cover an 80 percent market share as the vast majority of consumer accounts are held by a relatively small number of large participants. The vast majority of RMA’s membership consists of small businesses.

#### **B. Clear Expectations & Timelines Should be Provided to Those Subject to Supervision**

RMA would recommend that the Bureau publish a sample template of the types of questions they seek from companies they supervise and the requested timelines for adhering to those questions. RMA believes that publishing these questions in advance will allow large participants to be better prepared for a future supervision and make the process more efficient from both the perspective of the Bureau and the company.

Furthermore, RMA’s understands that supervision frequently includes questions in areas of business operations where no concerns have been expressed by government regulators or consumers. It appears from an outside perspective that these questions are simply a data accumulation effort for unknown purposes. The power of supervision should not include unfettered access to ask any question about any topic but instead should be limited to pertinent questions related to the lawful collection process. Publishing the typical supervisory questions should help in this effort.

RMA companies are subject to numerous compliance audits on an annual basis, including but not limited to, bank audits, vendor audits, RMCP certification audits, and regulator audits. Some RMA members indicate that they have auditors onsite each and every month of the year. Any effort to keep the cost associated with supervision down, such as utilizing existing audits to help contain costs, would be greatly appreciated.

#### **C. Reasonable and Uniform Regulatory Requirements Provide Enhanced Consumer Protections**

What RMA seeks for its membership is reasonable regulatory requirements that are drafted in a manner that supports the need for strong consumer protections but also appreciates the need for

the business community to operate without excessive and burdensome requirements that offer little to no benefit to consumers. Consumer protection is an issue where the business community and regulators should always find common ground and one that should never devolve into an adversarial relationship.

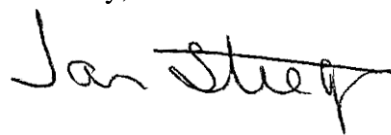
Consumer protection is the cornerstone of RMA's national certification program. The RMCP mission statement describes the industry's self-regulatory program as providing "providing enhanced consumer protections through rigorous and uniform industry standards of best practice" so as to "ensure that those who are certified are aware and are complying with state and federal statutory requirements, responding to consumer complaints and inquiries, and are following industry best practices."

RMA members have embraced the RMCP even though the standards are set higher than the law requires because the program provides clear and consistent standards that are reasonable and have been developed by those with an understanding of industry operations. More importantly, the RMCP has marginalized bad actors by creating an environment where industry participants seek to work with RMA certified companies. With more than 90 percent of RMA certified companies having a statistical zero percent complaint rate on the Bureau complaint portal since 2013, RMA would encourage the regulatory community to explore more ways to partner with industry efforts to keep bad actors out rather than the development of onerous regulatory requirements or overzealous supervision that have shown to have little to no effect on bad actors.

### **III. CONCLUSION**

RMA appreciates the opportunity to comment on this RFI as part of the Bureau's continuing efforts to ensure strong consumer protections in an environment conducive to the lawful collection of consumer debt. Please do not hesitate to contact me if RMA can provide further assistance. We look forward to working together to create a consumer credit market with fair and transparent collection practices.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan Stieger", with a stylized flourish at the end.

Jan Stieger,  
Executive Director