

April 2, 2025

Comment Intake—Protecting Americans from Harmful
Data Broker Practices (Regulation V)
c/o Legal Division Docket Manager
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

***Sent via electronic submission: 2024-NPRM-CONSUMER-REPORTING@cfpb.gov
and
Submitted via <https://www.regulations.gov>***

Re: Protecting Americans from Harmful Data Broker Practices (Regulation V)
Docket No. CFPB-2024-0044
RIN 3170-AB27

To Whom It May Concern:

The Receivables Management Association International (“RMAI”) appreciates this opportunity to submit the following comments in response to the Bureau’s proposed rule entitled Protecting Americans from Harmful Data Broker Practices (Regulation V).

RMAI supports the Bureau's efforts to develop clear and concise rules concerning the expectations on how businesses should furnish and compile consumer credit information. However, we believe the Bureau has exceeded its statutory authority with respect to several provisions of the proposed rule.

I. BACKGROUND

RMAI is a nonprofit trade association that represents more than 600 companies that purchase or support the purchase of performing and non-performing receivables on the secondary market. The existence of the secondary market is critical to the functioning of the primary market in which credit originators extend credit to consumers. An efficient secondary market lowers the cost of credit extended to consumers and increases the availability and diversity of such credit.

RMAI is an international leader in promoting strong and ethical business practices within the receivables management industry. RMAI requires all its member companies who are purchasing receivables on the secondary market to become certified through RMAI’s Receivables Management Certification Program (“RMCP”)¹ as a requisite for membership. The RMCP is a comprehensive and uniform source of industry standards that has been recognized by the collection industry’s federal regulator, the Bureau of Consumer

¹ RMAI, *RMAI Receivables Management Certification Program*, <https://rmaintl.org/certification/>.

Financial Protection, as “best practices.”² In fact, the Uniform Consumer Debt Default Judgment Act “seeks to incorporate . . . standards set by Receivables Management Association International, a debt collections trade organization.”³

A majority of RMAI members are small businesses. Most of its debt buyer members have annual receipts of less than \$47 million. Most of its debt collector members have annual receipts of less than \$19.5 million.⁴ Many vendors to debt buyers and debt collectors would also be fall within the U.S. Small Business Administration's (SBA) small business threshold.

II. COMMENTS

Proposed § 1022.5(b) “Assembling or evaluating.”

We believe the scope of proposed section 1022.5(b) to be so broad as to include many routine business operations performed by creditors and their servicers. To be sure, the proposed rule can be read to mean anytime a creditor's servicer creates a record concerning a consumer, adds credit and payment history to the account or verifies the accuracy and integrity of the collected information, those activities fall within the scope of section 1022.5(b). To the extent a servicer is also a furnisher of information to a consumer reporting agency, it would regularly "validate[]" such information" as provided by 16 C.F.R. § 660, *et seq.*

Thus, proposed § 1022.5(b) describes part of the work regularly performed by collection attorneys and collection agencies when servicing a creditor's consumer credit account. These servicers routinely receive from their creditor clients' consumer records associated with the serviced account, add payment information to those records, and routinely validate those records. Notably, 15 U.S.C. § 1681a(d)(2)(A)(i) excludes such servicer's records because those records reflect "information solely as to transactions or experiences between the consumer and the person making the report."

²Consumer Financial Protection Bureau, *Small Business Review Panel for Debt Collector and Debt Buyer Rulemaking, Outline of Proposals Under Consideration*, July 28, 2016, p. 38, http://files.consumerfinance.gov/f/documents/20160727_cfpb_Outline_of_proposals.pdf.

3 https://www.uniformlaws.org/committees/community-home/librarydocuments?attachments=&communitykey=c57ddc7a-bebd-41df-b48a-018a850eeec3&defaultview=&libraryentry=a6c364be-ca2e-4d61-aa23-018a85e8ba79&libraryfolderkey=&pageindex=0&pagesize=12&search=&sort=most_recent&viewtype=row&5a583082-7c67-452b-9777-e4bdf7e1c729=eyJsaWJyYXJ5ZW50cnkiOiJhNmMzNjRiZS1jYTJILTRkNjEtYWYyMy0wMTNhODVlOGJhNzkifQ%3D%3D, archived at <https://perma.cc/56CH-CBUU>

⁴ See U.S. Small Business Administration, *Table of Small Business Size Standards Matched to North American Industry Classification System Codes*, Effective December 19, 2022, publicly available at https://www.sba.gov/sites/default/files/2022-12/Table%20of%20Size%20Standards_Effective%20December%2019%2C%202022.xlsx and archived at <https://perma.cc/ED7C-PZHQ>. Debt buyers have a NAICS classification code of 522299, collection agencies 561440.

Although proposed § 1022.5(a) largely follows the text of 15 U.S.C. § 1681a(f), the scope of proposed § 1022.5(b) amounts to an impermissible expansion of what constitutes a credit reporting agency. When collection attorneys and collection agencies share with their creditor clients the consumer records concerning the serviced accounts they do so “for monetary fees” in connection with their servicing of those very same accounts. Since the servicer’s preparation, maintenance and updating of consumer accounts is integral to the work performed for its creditor clients, these activities are conducted “regularly . . . in part.”

Because proposed § 1022.5(b) does not include the statutory exclusion for “information solely as to transactions or experiences between the consumer and the person making the report,” the proposed rule exceeds the Bureau’s authority.

III. CONCLUSION

RMAI thanks the Bureau for its thoughtful work in the proposed rule and for its consideration of these comments. However, proposed § 1022.5(b) exceeds the Bureau’s scope of authority.

Please let us know if you have questions or if we can be of any assistance.

Sincerely,

Michael Becker

Michael E. Becker
Executive Director
Receivables Management Association International

cc: RMAI Board of Directors