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By Electronic Submission

Comment Intake - **Defining Larger Participants of the Consumer Debt Collection Market**
Consumer Financial Protection Bureau
12 CFR Part 1090

RE: Defining Larger Participants of the Consumer Debt Collection Market
[Docket No. CFPB-2025-0030]
RIN 3170-AB51
Federal Register Number: 2025-15091

To Whom it May Concern:

The Receivables Management Association International (“RMAI”) appreciates this opportunity to submit the following comments in response to the Consumer Financial Protection Bureau (CFPB) request for defining larger participants of the consumer debt collection market.

RMAI supports the CFPB’s efforts in reexamining the methodology used by the Bureau in determining how to focus its resources on examinations. We believe that there are alternatives to using a business’s net proceeds as the sole basis for examinations and that CFPB should instead consider risk-based approaches rather than relying solely on a dollar threshold.

BACKGROUND

RMAI is a nonprofit trade association that represents more than 600 businesses that purchase or support the purchase of performing and nonperforming receivables on the secondary market. RMAI member companies work in a variety of financial service fields, including debt buying companies, collection agencies, collection law firms, originating creditors, brokers, international members, and industry-related product and service providers. 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’s Receivables Management Certification Program¹ and its Code of Ethics² set the “gold standard” within the receivables management industry due to their rigorous uniform industry standards of best practice which focuses on protecting consumers.

¹ Receivables Management Association International, *Receivables Management Certification Program*, version 13.0 (February 20, 2025), publicly available at <https://rmaintl.org/GovernanceDocument>.

² Receivables Management Association International, *Code of Ethics* (August 13, 2015), publicly available at <https://rmaintl.org/about-rmai/code-of-ethics/>.

Rolled out in 2013, RMAI's Certification Program sets high and robust industry standards that seek to go above and beyond the requirements of state and federal law for the protection of consumers.³ Currently, 539 businesses and individuals hold these internationally respected certifications. Presently, all the largest debt buying companies in the United States are RMAI certified, and we estimate that approximately 80 to 90 percent of all U.S. charged-off receivables that have been sold on the secondary market are owned by an RMAI certified business.

RMAI’s Certification Program has been recognized by both the regulatory community and by independent organizations for its high consumer protection standards. As an example, the Bureau has referred to it as “best practices”⁴ during the development of Regulation F, notably in the 2016 Small Business Regulatory Enforcement Fairness Act (SBREFA) review⁵ and again in the 2019 notice of proposed rulemaking.⁶ The Uniform Law Commission even sought “to incorporate . . . standards set by Receivables Management Association International” within its Uniform Consumer Debt Default Judgment Act, which was adopted in 2023.⁷ This recognition has helped to reinforce RMAI’s ongoing efforts to promote best practices within the broader industry as can be seen by a number of original creditors requiring that their approved vendors be RMAI certified.

Highlights of the RMAI certification program include a commitment to ongoing education, reoccurring background checks, independent third-party audits, designation of a company Chief Compliance Officer (CCO), and compliance with robust standards including:

- **Legal & Statutory Compliance:** Certified companies must comply with a broad spectrum of federal and state consumer protection laws, including the Fair Debt Collection Practices Act (FDCPA), Telephone Consumer Protection Act (TCPA), Fair Credit Reporting Act (FCRA), Servicemembers Civil Relief Act (SCRA), Electronic Fund Transfer Act (EFTA), and the Bankruptcy Code.
- **Audit & Oversight:** Certification requires multiple layers of oversight, including pre-certification audits and ongoing compliance audits with independent third-party auditors verifying adherence to standards. A Remediation Committee, administered through BBB National Programs, reviews and enforces corrective actions.

³ RMCP's Mission Statement reads in part, the certification program "is an industry self-regulatory program administered by RMAI that is designed to provide enhanced consumer protections through rigorous and uniform industry standards of best practice."

⁴ Consumer Financial Protection Bureau, *Small Business Review Panel for Debt Collector and Debt Buyer Rulemaking, Outline of Proposals Under Consideration*, July 28, 2016, p. 38, publicly available at http://files.consumerfinance.gov/f/documents/20160727_cfpb_Outline_of_proposals.pdf.

⁵ Ibid. Footnote 85 and 92.

⁶ Debt Collection Practices (Regulation F), 84 FR 23274 (May 21, 2019), footnotes 378, 402, 647, and 743, publicly available at <https://www.govinfo.gov/content/pkg/FR-2019-05-21/pdf/2019-09665.pdf>.

⁷ Uniform Law Commission, Uniform Consumer Debt Default Judgments Act (October 27, 2023), p. 3, publicly available at https://www.uniformlaws.org/committees/community-home/librarydocuments?attachments=&communitykey=c57ddc7a-bebd-41df-b48a-018a850eeec3&defaultview=&libraryentry=a6c364bc-ca2e-4d61-aa23-018a85e8ba79&libraryfolderkey=&pageindex=0&pagesize=12&search=&sort=most_recent&viewtype=row&5a583082-7c67-452b-9777-e4bdf7e1c729=evJsaWJvYXJ5JW50cnkiOiJhNmMzNiRiZS1iYTYJLlRkNiEtYWEvMv0wMThhODVlOGJhNzkifO%3D%3D.

- **Vendor Management:** Ensuring that anyone with access to or contact with consumer accounts adheres to the same criteria as the certified company, including assurance of data security systems/policies.
- **Data & Documentation Integrity:** Mandating compliance with a comprehensive list of data and documentation requirements that exceeds all state and federal requirements. RMAI certification program maintains unique asset class criteria for auto, credit cards, bankruptcy, installment loans, judgments, medical, and student loan receivables.
- **Consumer Disputes:** Creating a culture that promotes open lines of communication with consumers to address disputes regardless of the mode of communication the consumer chooses to use. When RMAI's certification standards are viewed in their entirety, they provide a level of consumer protection unseen elsewhere within the receivables industry. The standards include, but are not limited to, requirements that all certified businesses be registered on the CFPB consumer portal, maintain well-defined dispute policies, proactively address issues in credit reports, provide consumers direct access to the CCO, maintain consumer hardship policies, and prohibit the sale or resale of accounts that are currently in dispute or have been identified as fraudulent.
- **Portfolio-Sale Standards:** Ensuring the integrity of account information and transparency in the sale and resale process is paramount. Standards on chain-of-title, due diligence in the portfolio review, and representations and warranties in the purchase-and-sale agreement combine to ensure the integrity of the account information, thereby providing important consumer protections.
- **Data Security & Safeguards:** Certified companies must maintain written data security programs that at minimum meet, and often exceed, federal requirements such as the FTC's Safeguards Rule. Annual risk assessments and program adjustments are required to ensure ongoing consumer data protection.
- **Insurance Requirements:** Certified entities must maintain robust insurance coverage, including errors and omissions and cyber insurance policies and, for law firms, malpractice coverage and trust account protections, with heightened requirements for larger firms.

COMMENTS

First and foremost, RMAI acknowledges the important role federal and state regulators play in protecting consumers within the receivables management industry. RMAI is a strong advocate of industry guiderails whether it be through statutory enactments, regulatory adoptions, industry self-regulations, or a combination thereof. But a close second in importance is to understand how laws, regulations, and current-day industry practices interact and how the best intentions of a regulatory agency can lead to the demise of the business community through unnecessary, duplicative, oppressive, and excessive oversight. Ultimately, we believe the goal of regulatory action is to ensure the highest level of consumer protection through the least restrictive regulatory means possible.

RMAI believes this objective can be achieved through existing mechanisms by considering state and federal legislative and regulatory frameworks together with (i) industry self-regulatory compliance, (ii) practical business due diligence, and (iii) established judicial remedies.

RMAI recommends that state and federal regulatory agencies carefully consider the following questions before adopting new rules, initiating examinations, or evaluating potential regulatory relief:

- Is the industry subject to comprehensive consumer protection laws at the state and/or federal level?
- Do consumer remedies exist through the judiciary?
- Does the government have the ability to pursue compliance through Attorney General or executive agency enforcement?
- Does a robust industry self-regulatory program exist that maintains higher standards than required by law? And does the industry self-regulatory program subject participants to regular independent third-party audits with definable actions mandated for noncompliance?
- Do other participants in the industry require regular auditing of businesses they engage with as part of a business due diligence framework?

The answers to these questions should be assessed at both the industry-wide and entity-specific levels. A broad, industry-wide analysis would not necessarily justify additional rules or heightened examinations, as the receivables management industry does not present uniform risks. An entity-specific analysis would produce a better risk-profile for regulators when considering examinations or tailoring regulations because while each business must comply with the same laws and regulations, how they comply with them and what additional compliance practices they have adopted can widely differ. Using an entity-level analysis, regulators will likely realize they are spending an extraordinary amount of time on businesses with a lower risk profile and ignoring businesses with a higher risk profile.

Addressing these questions would show that businesses in the receivables management industry operate under extensive oversight. Federal laws such as the Fair Debt Collection Practices Act (FDCPA), Telephone Consumer Protection Act (TCPA), Fair Credit Reporting Act (FCRA), Gramm-Leach Bliley Act (GLBA), and related statutes, together with state licensing and conduct requirements in most jurisdictions, provide a comprehensive consumer protection framework enforced by the CFPB, Federal Trade Commission (FTC), Federal Communications Commission (FCC), the Office of the comptroller of the Currency (OCC), Department of Treasury, state attorneys general, and other agencies. Consumers also have strong remedies through private rights of action under strict liability statutes.

The industry further subjects itself to meaningful self-regulation. RMAI's Certification Program establishes standards that exceed government requirements, mandates recurring independent third-party audits, and requires corrective actions through an impartial remediation process. More than 500 businesses and individuals have voluntarily committed to this program, demonstrating a broad adoption of heightened compliance obligations.

In addition, creditors conduct robust due diligence of their partners in the industry, with some large participants reporting dozens of creditor audits annually. This layering of federal and state oversight,

private rights of action, self-regulatory standards, and creditor audits underscores the extensive compliance framework already in place.

THE CFPB LARGE PARTICIPANT RULE

RMAI believes prioritizing examinations based on a business's net proceeds is an ineffective approach for determining consumer risk. By focusing on large businesses, the majority of which are RMAI certified, the CFPB overlooks the significant investments these firms already make in compliance, risk management, and legal oversight. These companies spend hundreds of thousands to millions of dollars annually on maintaining robust compliance programs, undergo constant audit scrutiny, and adhere to nationally recognized standards that exceed state and federal requirements.

RMAI respectfully recommends that the CFPB eliminate the Large Participant Rule and adopt an approach to risk where it considers specific factors when deciding when a CFPB examination or further regulatory burdens are warranted. RMAI believes the Bureau's resources are best directed toward businesses that cannot demonstrate compliance with the key safeguards outlined above, rather than relying on the existing net proceeds measure. Prioritizing entities with higher risk profiles will more effectively advance consumer protection than applying heightened scrutiny to firms that already operate at lower risk.

CONCLUDING REMARKS

RMAI appreciates the Bureau seeking public input on whether to raise the threshold for who constitutes a large participant. RMAI encourages the Bureau to leverage existing oversight tools, including the RMAI Certification Program, as a more effective and resource-efficient path to ensuring consumer protection.

If RMAI can be of any assistance to the Consumer Financial Protection Bureau, elaborate on any point contained in our response, or answer any questions you may have, please do not hesitate to contact me at (916) 482-2462 or mbecker@rmaintl.org.

Sincerely,

Michael Becker

Mike Becker
RMAI Executive Director