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July 13, 2010

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex T)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: Telemarketing Sales Rule-Debt Relief Amendments-R411001

Dear Commissioners:

Thank you for continuing your valuable work on this important issue. I am writing in regard to the proposed amendments to the Telemarketing Sales Rule (TSR) as an academic who has studied and reported on national and local business and economic development for over 30 years.

I would like to point out several inaccuracies in the letter you received from the AFL and other various civil rights and labor organizations on July 2nd:

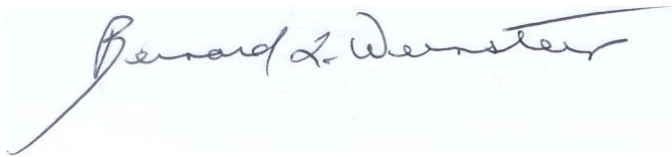
- Not all debt settlement organizations charge “upfront fees”; in fact, a “pay-as-you-go” model is more common. Most debt settlement companies do not charge an application fee, or even an enrollment fee.
- It is important to point out that debt settlement is not more expensive than other debt relief options. The average fees charged by credit counseling and bankruptcy are comparable to the average 15% fee charged by debt settlement.
- The data released by the Colorado Attorney General that suggests a low completion rate of customers enrolled in debt settlement programs is flawed because (1) for-profit debt management was included in the data and (2) consumers were not tracked through the entire length of the program and, therefore, the information is incomplete.
- It is misleading to say the attorneys general “on the front lines” of consumer litigation know best. For the cases that are still pending, the allegations are unproven and should carry no weight.

The opponents of debt settlement, and the writers of the previously mentioned letter, are making the argument that because a handful of companies in the debt settlement industry have not represented customers well, the entire industry should be obliterated. This is what the proposed fee restrictions would

do – obliterate the debt settlement industry by preventing debt settlement companies from earning sufficient revenues to cover operating expenses.

While regulation of the industry is greatly needed, it is vital that debt settlement remain a debt relief option for consumers.

Sincerely,

A handwritten signature in black ink, reading "Bernard L. Weinstein". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Dr. Bernard Weinstein