



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Financial Practices

January 30, 2001

Arthur L. Herold, Esq.
Webster, Chamberlain & Bean
1747 Pennsylvania Avenue, N.W., Suite 1000
Washington, D.C. 20006


Re: Creditrust Corporation

Dear Mr. Herold:

As you know, the staff of the Federal Trade Commission conducted an investigation of your client, Creditrust Corporation ("Creditrust"). The purpose of the investigation was to determine whether, in collecting debts from consumers and reporting credit information about those consumers to consumer reporting agencies ("CRAs"), Creditrust violated the Fair Credit Reporting Act ("FCRA") and the Fair Debt Collection Practices Act ("FDCPA"). Three significant portions of the investigation focused on whether Creditrust (1) failed to use the proper date of delinquency when reporting to CRAs, in violation of section 623(a)(5) of the FCRA, 15 U.S.C. § 1681s-2(a)(5); (2) upon receiving consumer disputes from CRAs about information that Creditrust had reported to the CRAs, failed to investigate the disputes, in violation of section 623(b) of the FCRA, 15 U.S.C. § 1681s-2(b); and (3) used deceptive methods when contacting consumers' creditors to learn the addresses and telephone numbers of consumers from whom the company wished to collect, in violation of section 807(10) of the FDCPA, 15 U.S.C. § 1692e(10).

Staff has determined to close the investigation at this time. Among other reasons, your client has advised us that the corporation into which Creditrust is to be merged in the near future, NCO Portfolio Management, will neither report consumer credit information to CRAs nor contact consumers' creditors to ascertain location information. Staff's action should not be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,


Joel Winston
Acting Associate Director