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Via Electronic Mail

Allison I. Brown, Esq.
Division of Financial Practices
United States Trade Commission
Washington, DC 20508

**Re: The FTC's Rulemaking Regarding the
Telemarketing Sales Rule – Debt Relief Amendments**

Dear Ms. Brown:

On behalf of USOBA, this responds to your Friday, December 18, 2009, letter, in which you asked for additional information, and your January 5, 2010, email to my partner, Jonathan Massey, in which you provided until the end of January to provide the requested information.

We have submitted this letter and the attached at <https://secure.commentworks.com/ftc-TSRDebtRelief>. We are also sending a copy to you via US Mail.

For reasons that should be clear, the attached information responds by topic to the majority of your inquiries. There are, however, instances where your questions did not apply to our organization and/or where we could not collect the information from our members in the limited time available.

Thank you,

Sincerely,

On Behalf of USOBA

**USOBA'S RESPONSES TO THE 12/18/09 QUESTIONS
FROM THE FTC STAFF**

1. Company Background

USOBA is a private trade association, which does not enroll consumers in debt settlement programs, and which does not publicize its member list.

2. Number of accounts and consumers

The time period covered by the below responses ranged between 96 months and 1 month. The average number of months covered was 25 months. It is important to note that 20 of the 58 respondents providing information to USOBA began debt settlement just last year, in 2009.

(a) How many total consumers have enrolled with debt settlement companies that are members of USOBA?

277,139 debtors/consumers have enrolled with the 58 companies that provided information to USOBA.

(b) How many total accounts have consumers enrolled with debt settlement companies that are members of USOBA?

1,481,679 accounts were enrolled by these debtors/consumers.

(c) How much total debt have consumers enrolled with debt settlement companies that are members of USOBA?

These debtors/consumers enrolled **\$6,688,656,855 in total debt**.

(d) How much total debt have consumers settled through debt settlement companies that are members of USOBA?

To date, **\$1,424,487,242 in total debt has been settled** for these consumers.

3. Debt Reductions

(a) For USOBA members, what is the average percentage reduction of settled debt that consumers who completed the program received? Please calculate this percentage reduction using the amount owed at enrollment?

For the 51 respondents who provided information, the average percentage reduction ranged between 72% and 27.9%. The mean percent reduction for all respondents was **53.23%**.

(b) For USOBA members, what is the average percentage reduction of settled debt that consumers who completed the program received? Please calculate this percentage reduction using the amount owed at settlement.

For the 47 respondents who provided information in response to this question, the average percentage reduction ranged between 71.08% and 32.5%. The average percent reduction across respondents was **53.92%**.

4. Fee Structures

(a) What percentage of USOBA members use a "front-end fee model," in which the company requires consumers to pay as much as 40% or more of the fee within the first three or four months of enrollment, and collect the remaining fee over an ensuing period of 12 months or less?

10.34% of companies providing information primarily use a "front-end fee model."

(b) What percentage of USOBA members use a "fixed fee model," in which fees are spread out in a series of payments over a fixed period of time? Of members that use a "fixed fee" model, over how many months are payments collected?

77.58% of companies providing information primarily use a "Fixed fee model."

(c) What percentage of USOBA members use a "back-end model" in which the consumer pays all of the fee upon program completion, paying a fee equal to a percentage of total savings?

None of the companies providing information primarily use a "back-end model."

(d) Do any USOBA members use fee models not captured by questions 4(a)-(c)? If so, please explain for those fee models when amounts are collected, what amount is collected at each time, and how many members use the fee model.

12.07% of those companies providing information use a model that primarily can be characterized as none of the above.