

PORTFOLIO RECOVERY ASSOCIATES

May 26, 2011

Via Electronic Delivery

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex F)
600 Pennsylvania Avenue NW
Washington, DC 20580

Re: Debt Collection 2.0: Protecting Consumers as Technologies Change

Dear Sir or Madam:

Thank you for the opportunity to provide these written comments about the recent public workshop “Debt Collection 2.0: Protecting Consumers as Technologies Change.”

Our company, Portfolio Recovery Associates, Inc., is headquartered in Norfolk, Virginia, and is publicly traded on the Nasdaq stock market under the ticker symbol “PRAA.” Our primary operating subsidiary, Portfolio Recovery Associates, LLC (“PRA”), is engaged in the purchase and management of a variety of delinquent consumer receivables, including revolving credit card debt, installment accounts, utility and cell phone accounts. PRA is not a third party collection agency; we employ approximately 1,400 full-time collection representatives in several locations around the country who collect debts owed to PRA.

PRA considers itself a well respected and legally compliant competitor in a very difficult industry. We compromise on debts that are owed to us every single day, either by agreeing to settlements for less than full value or agreeing to extended payment periods to help facilitate repayment of consumer obligations. When consumers are willing to work with us to repay their obligations, we are willing to work with them to assist them in getting it done.

I will not address each and every question posed by the Commission, but would like to address a few key points.

Our customers’ financial health is best served when we have the most flexibility in how to collect, over what period of time, and by using the best technology available to support our operations. Resolutions of our accounts are least expensive to customers when we are able to engage them in conversation quickly and with the fewest impediments. Attempts to constrain communication between debt collectors and their customers increase the frequency of debt collection litigation, which is both costly and uncomfortable for consumers.

One important focus of the workshop was advancements in information and communication technologies. Debt collectors' increasing use of predictive dialers is one important evolution in collection methods that helps ensure that collectors are contacting the correct party. Predictive dialers practically eliminate such ordinary errors as misdialed numbers and inadvertently dialing at inappropriate times. Predictive dialers also eliminate dialing to busy signals and otherwise increase efficiency, producing cost savings that can be passed along to consumers.

The workshop also included a thorough discussion of consumers' increasing use of mobile telephones and substitution of mobile phones for traditional land lines. However, there was little discussion of the fact that consumers' privacy is actually enhanced when debt collectors reach them on mobile phones rather than land lines. That is true because land lines are more commonly shared among family members than mobile phones. A family babysitter may answer a land line but is unlikely to have access to a family member's mobile phone. Mobile phones thus advance the goal of ensuring that any consumer's debts remain a private matter between the consumer and debt collectors.

Thank you for the opportunity to share these comments.

Sincerely,

Donald W. Redmond
Vice President
Government Relations