



March 24, 2020

Sen. Sherrod Brown
United States Senate
Committee on Banking, Housing, and Urban Affairs
Washington, DC 20510-6075

Dear Senator Brown:

Thank you for your letter of March 18, 2020, urging action to alleviate the economic fallout caused by COVID-19. I am the CEO of a media company that influences the professional debt collection industry. On behalf of our wide range of stakeholders, I'd like to share how the industry is working today to assist consumers during this time of unprecedented crisis.

I know that many our constituents have already begun to implement measures that include waiving late fees, suspending interest, temporarily suspending collection activities when a consumer advises that he or she has been impacted by COVID-19, adjusting outbound calling policies and procedures while remaining available for inbound inquiries, and other measures.

I also know that, in just the last week, professional debt collectors across the United States connected with millions of consumers concerned about their utility, banking, credit card, hospital, cell phone, student loan and other bills. Agents helped reduce consumer stress and anxiety in many ways, such as changing upcoming payment arrangements, adjusting existing settlement agreements, assisting consumers who wanted to make payments in order to remain on track, and—of course—offering hardship pauses to those who need them.

In many cases, these same organizations also now provide a critical back-up to creditors' overcrowded customer service lines. For instance, I am aware of several companies that work for healthcare providers that have been engaged to take overflow calls from patients with urgent questions.

The industry is concerned about Chairwoman Waters' proposal to "ban the collection of all consumer debt...during the pandemic, and for 120 days after the pandemic ends." Such proposals to blanket ban debt collection are well-meaning but don't take the full picture into view. While there are Americans whose income has been impacted by the pandemic, there are many others whose work has successfully shifted to work-from-home and are able to maintain their income.

For those who lost their income, debt collectors and creditors already have robust hardship measures in place to help. The PR machine makes it seem like collectors want to collect from consumers no matter the situation, but that is turning a blind eye to what debt collectors and creditors already offer to consumers in need. For those who maintain their income, this ban on collection efforts in general means they can't continue with their payments, can't improve their financial standing and might preclude them from being able to take positive steps in their financial journey.

And, most importantly, these proposals—while aiming to help those who recently became unemployed due to the virus—would cause hundreds of thousands of other Americans to join the unemployed ranks. The debt collection industry employs more than 230,000 people worldwide and is made up of 70% women and



40% minorities. The collection industry also employs a greater percentage of individuals with a disability (7%) than are represented in the overall labor force (3.7%).¹

Overall, there are better solutions than a one-size-fits-all ban.

Professional debt collectors stand ready to deploy their communications resources as a means to provide facts and reassurance to consumers who are uncertain about their financial future. Professional collectors are trained to ask questions in a way that identifies a consumer's individual situation and to respond appropriately, as well as to uncover issues such as identity theft. They can be an important partner during this unprecedented time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephanie Eidelman', written in a cursive style.

Stephanie Eidelman
CEO, The iA Institute

¹ ACA International, August 2016. *Small Businesses in the Collection Industry: An Overview of Organization Size and Employment*