



October 8, 2009

Federal Trade Commission
Office of the Secretary
Room H-135 [Annex T]
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Telemarketing Sales Rule – Debt Relief Amendments, R411001

Dear Secretary Clark:

I am writing to you on behalf of The Association of Settlement Companies (“TASC”), an industry leading trade association of debt settlement companies, in regard to both the Commission’s invitation for comments in response to the Notice of Proposed Rulemaking (“NPRM”) on this matter and also for participation in its associated public forum.

Regarding the comments, TASC respectfully requests that the deadline for submitting those be extended by a minimum of 120 days from the initial deadline of October 9, 2009 that was originally proposed by the Commission. Although we are aware that the Commission has recently extended the deadline from October 9 to October 26, TASC thinks a longer extension is necessary for a number of reasons.

To begin with, TASC and its member companies need the additional time to adequately assess and respond to the NPRM in light of the expansive scope of its substantive assertions, proffered jurisdictional bases, and proposed extensive regulation of the debt settlement industry. Because it appears upon initial review that the proposed “advance fee” limit would have a substantially detrimental effect upon the ability of almost all debt settlement companies to continue to provide services that provide substantial benefits to consumers, it is all the more imperative that careful and well-informed scrutiny of the agency’s proposal takes place prior to promulgation of whatever version (if any) is found by the Commission to be in the public interest.

The Commission recognized in the NPRM the need for augmented historical data on debt settlement programs, particularly with respect to success rates, and criticized the limited data provided to date by the industry. The extended comment period requested by TASC is necessary for TASC and its members, as well as other interested parties, to respond to this criticism and to obtain and submit such enhanced industry data in a reliable manner. Indeed, TASC is in the midst of collecting relevant data, but the tasks of compiling, analyzing, and presenting the results of its efforts in usable form will take additional time.

TASC is moving forward with all deliberate speed to evaluate the availability of data and undertake appropriate analysis. Imposing a deadline sooner than February 2010 would be unreasonable in light of the Commission's recognition of the critical need for the very types of information that TASC is moving to obtain. An extension allowing the presentation of this data is crucial in light of the FTC's preliminary assessment that settlement services are seldom actually provided to consumers, an assertion that TASC believes is demonstrably wrong. Imposing a deadline sooner than February 2010 would create a substantial risk of Commission deliberations taking place in the absence of vital information, which in turn could prove counterproductive by unnecessarily prolonging this proceeding rather than expediting it and/or leading to regulations that improperly and irreparably harm an industry that provides substantial benefits to many consumers in financial distress.

TASC supports the goal of completing this proceeding as quickly as possible consistent with first creating a sufficient public record, one that will enable the Commission to make informed decisions on the matters addressed in the NPR. With that goal in mind, TASC thinks the benefits from the enhanced public record that would result from this modest extension far outweigh any associated costs. TASC notes in this regard that the Commission is in receipt of requests from a significant number of Members of Congress that also focus upon the unduly short notice and comment period for the Commission's proposal, and seek an extension of at least 120 days.

Finally, regarding participation in the public forum on this matter, TASC would like to have an opportunity to participate in that event and hereby requests that the undersigned, a member of the TASC Executive Board, be allowed to participate as a panel member at the public forum. As the Co-Founder and Chief Executive Officer of one of the nation's largest debt settlement companies, as well as a founder of TASC, I have years of experience in the debt settlement industry and am able to provide input on behalf of the large number of TASC-member debt settlement companies and service providers.

TASC requests that this letter be construed as an initial comment if the filing of a comment by October 9 remains a requirement for participation in the public forum. However, TASC thinks that this public forum would be most productive if it occurs after the comment deadline and accordingly respectfully requests that the public forum and the deadline for seeking to participate in that event correspondingly be postponed until after the requested extended comment deadline.

Respectfully submitted,

Andrew Houser
Member of the Executive Board
The Association of Settlement Companies



Office of the Secretary

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

October 22, 2009

Andrew Houser
The Association of Settlement Companies
16 N. Carroll St., Suite 900
Madison, WI 53703

Dear Mr. Houser:

Thank you for your submission to the Federal Trade Commission dated October 8, 2009, regarding the proposed amendments to the Telemarketing Sales Rule covering debt relief services. You request that the Commission extend the period for public comment on the proposed rule by 120 days to provide commentators with additional time to consider and prepare responses regarding the legal and factual issues discussed in the Notice of Proposed Rulemaking ("NPRM") the Commission announced on July 30, 2009.¹ You also state that industry members require more time to collect and analyze data about the debt relief industry.

The proposed rule involves important issues, and the Commission has thus far received more than 150 comments, including some comments from industry members. As you know, in response to earlier requests, the Commission has already extended the public comment period by 15 days, until Monday, October 26, 2009, thereby allowing additional time for the public to submit their comments without causing undue delay in the rulemaking proceeding.² In making that determination, the Commission expressly determined that a 120-day extension was "unnecessary to ensure that interested parties have an adequate opportunity to prepare and


¹ See *FTC Seeks Public Comment on Proposed Rules to Protect Consumers of Debt Relief Services* (July 30, 2009), available at <http://www.ftc.gov/opa/2009/07/tsr.shtm>; *Federal Trade Commission: Telemarketing Sales Rule: Notice of Proposed Rulemaking and Announcement of Public Forum*, 74 Fed. Reg. 41988 (August 19, 2009).

² *Federal Trade Commission: Telemarketing Sales Rule: Extension of Comment Period in the Notice of Proposed Rulemaking*, 74 Fed. Reg. 52914 (October 15, 2009).

Andrew Houser, Member, Executive Board
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submit comments and would cause undue delay. . . .,” and noted that the November 4, 2009 public forum would provide “another opportunity to provide information to the Commission.”³ With respect to the data issue you have raised, I would also note that the Commission has been studying and publicly requesting information about the debt relief industry since June 2008.⁴

Sincerely,


Donald S. Clark
Secretary of the Commission

³ *Id.*

⁴ See, e.g., FTC Press Release, *FTC to Hold Public Workshop to Examine Debt Settlement Industry; Agency Seeks Comments, Original Papers, and Participation* (June 2008) (requesting comments for public workshop on debt relief including “any original research, surveys, and academic papers”).