



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

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December 18, 2009

Jonathan S. Massey
On behalf of USOBA
Massey & Gail LLP
1325 G Street N.W., Suite 500
Washington, DC 20005

Dear Mr. Massey:

Thank you for the public comment that USOBA filed in the FTC's rulemaking proceeding regarding the Telemarketing Sales Rule - Debt Relief Amendments. We are seeking additional information to follow up on specific public comments, and we request that you voluntarily provide answers to the following questions.

Please let us know whether you will provide answers to the attached questions by Tuesday, January 5, 2010 and provide completed answers to all questions you are willing to answer by Tuesday, January 12, 2010.

All information should be submitted at <https://secure.commentworks.com/ftc-TSRDebtRelief> and will be treated as public comments in this proceeding. Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled "Confidential," and must comply with FTC Rule 4.9(c), 16 CFR 4.9(c). Specifically, the comment must be accompanied by an explicit request for confidential treatment, including the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. The request will be granted or denied by the Commission's General Counsel, consistent with applicable law and the public interest. See FTC Rule 4.9(c), 16 CFR 4.9(c).

Please contact me if you have any questions.

Sincerely,

/s/ Allison Brown

cc: John Ansbach (by email)
Jenna Keehnen (by email)

Questions From FTC Staff Following Up on Public Comment

1. Company Background

- (a) How long have you been enrolling consumers in debt settlement programs?
- (b) Have you made significant changes in your programs since you began offering settlement programs?

2. Number of accounts and consumers

For each question, state the specific time period.

- (a) How many total accounts have consumers enrolled with debt settlement companies that are members of USOBA?
- (b) How much total debt have consumers enrolled with debt settlement companies that are members of USOBA?
- (c) How much total debt have consumers settled through debt settlement companies that are members of USOBA?
- (d) How many total consumers have enrolled with debt settlement companies that are members of USOBA?

“Enrolled” is defined as consumers who have made at least one payment.

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.

“Completed” is defined as having had 95%-100% of the consumer’s total amount of debt settled.

- (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.

4. Accretion

For USOBA members, what is the average rate of increase in amounts that consumers owe to creditors between enrollment and settlement?

5. Fee structure

(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?

(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?

(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?

(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.

(e) For consumers who have dropped out of USOBA members’ programs before completion, what is the total amount of fees paid by them?

6. Completion Rate

(a) Of consumers who enrolled in a USOBA member program at least 36 months ago, what percentage have completed it?

(b) Of consumers who enrolled in a USOBA member program at least 36 months ago, what percentage are still active?

7. Number of Settlements

(a) What percentage of consumers who enrolled in a USOBA member program settled at least one debt in the first year after enrolling?

(b) What percentage of consumers in a USOBA member program settled at least one debt in the first two years after enrolling?

(c) How many consumers who enrolled in a USOBA member program dropped out before settling any debts?

8. USOBA Membership

Please provide a list of USOBA members and a brief description of their businesses.