



THE ASSOCIATION OF SETTLEMENT COMPANIES

The Source For Trust and Integrity in Debt Settlement

Member Login: [Forgot Password?](#)

Find a Member:

Home | About Us | Become a Member | Events | TASC Board | Members ▼ | News | FAQ

EDUCATION CENTER: [Invest or Payoff Debt](#)

News

- ▶ Industry News
- ▶ Education Center

Home ▶ Industry News ▶

TASC Announces Support for FTC Debt Settlement Rules

Aug 17, 2010

Industry Trade Group Complies with Advance Fee Ban and Related Consumer Protections

WASHINGTON (August 17, 2010): The Association of Settlement Companies ("TASC") announced today that its Board of Directors has voted to support the recent debt relief services rulemaking by the Federal Trade Commission ("FTC"). In addition to mandating enhanced disclosure requirements modeled on current and proposed TASC standards, the FTC rulemaking prohibits debt settlement companies from accepting fees from a consumer for debt settlement services prior to the actual settlement of the consumer's debt.

"We recognize that the Federal Trade Commission attempted to strike an appropriate balance between improving consumer protections and ensuring continued viability for the majority of ethical, well-managed debt settlement companies," said Robby H. Birnbaum, President of TASC. "Debt settlement companies are the only truly independent voice for the consumer when dealing with overwhelming levels of consumer debt and we are pleased that the FTC recognized that debt settlement is not only an appropriate alternative but also a necessary service when delivered by a legitimate debt settlement services provider."

Birnbaum noted that TASC has been working for more than a year with the FTC to craft appropriate program disclosures and observed that many of the FTC's proposals were modeled on TASC disclosure standards.

"The only significant difference between TASC and the FTC," Birnbaum said, "was the proposal that the collection of fees be delayed until debts are actually settled, a position that, we believe, ignores the fact that services are provided throughout the customer life cycle, not just at the time of settlement. TASC proposed, and continues to believe, that a less intrusive and equally consumer-protective solution would have been to mandate a full refund policy, backed up by a surety bond. However, after much discussion, both internally and with regulators, consumers and other interested parties, we have determined that the FTC's position of tying fees to performance is an acceptable way of ensuring that consumers actually get what they pay for and expect."

Andrew Houser, a TASC Board member who was very involved in the FTC comment process said, "While the rule provides a significant capital challenge to our industry, we are pleased that at least a few of our comments were heard and reflected in the final rule - these changes allow good companies that are getting results for consumers a fighting chance to continue as viable businesses." He added, "While managing working capital will be tough for the industry, we think it is time to accept these rules and get back to the business of helping consumers get out of debt."

Birnbaum went on to state, "TASC appreciates the efforts that the FTC expended to educate itself about the industry. We believe that the process that we went through with the FTC will foster more open communication among our organization, our members and the Commission. We hope that TASC's cooperation and acceptance of the FTC's new rule will reinforce the message that TASC believes strongly in its mission of helping the millions of Americans who find themselves struggling with unmanageable levels of credit card debt."

About The Association of Settlement Companies

The Association of Settlement Companies (TASC) promotes fair business practices, consumer protection and industry standards for its debt settlement industry members. TASC, founded in 2005, serves to protect consumers through best practices and standards adhered to by reputable companies. The organization also serves its member companies through lobbying efforts at the state and national levels as well awareness initiatives to educate consumers on debt settlement as a financial solution. All TASC member companies pledge compliance to strict association standards governing business practices and ethics. For more information, visit www.tascsite.org.

The Association of Settlement Companies

16 N. Carroll Street, Suite 900.
Madison, WI 53703

Tel. 888-657-8272 (TASC)
Fax. 888-482-3791

[Home](#) [About Us](#) [Become a Member](#) [Events](#) [TASC Board](#) [Vendors](#) [Members](#) [News](#) [FAQ](#) [Contact Us](#) [File a Complaint](#)

The Association of Settlement Companies | 16 N. Carroll Street, Suite 900, Madison, WI 53703 | **Tel.** 888-657-8272 (TASC) | **Fax.** 888-482-3791
[Terms and Conditions](#) | [Privacy policy](#) | [Sitemap](#)

Copyright © 2011, The Association of Settlement Companies. All Rights Reserved.