

## USOBA Responds to FTC's Regulation on Debt Settlement

Consumers Lose, Unscrupulous Collectors Win with New Rule.

Washington DC (Vocus) August 3, 2010

The United States Organizations for Bankruptcy Alternatives (USOBA), a trade association dedicated to the advancement of consumer protection in the debt settlement industry, issued its response today to the Federal Trade Commission's Amendments to the Telemarketing Sales Rule concerning debt relief providers.

Late last week, the FTC announced several amendments to the Telemarketing Sales Rule that will adversely impact debt settlement providers and the hundreds of thousands of American consumers they support and service. While USOBA was pleased to see some of the protections included in the Rule, the Organization was dismayed and disheartened that the Rules will ultimately harm debt-burdened middle class Americans and help unscrupulous credit card and debt collection companies.

"This is a tragedy and a disaster for consumers," John Ansbach, USOBA's Legislative Director, said. "It's unfortunate that the Commission chose to ignore the hundreds of consumers who filed



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comments in support of debt relief providers and instead, with this Rule, handed a victory to those who would harass and even imprison consumers through aggressive debt collection prosecution.”

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Several positive provisions in the new amendments include specific required disclosures debt settlement companies must make known to their clients, requirements on advertising (i.e. making truthful and substantiated claims), and best practices to guarantee consumers are educated on the program they are entering.

“While we don’t agree with a portion of the regulation as they were announced yesterday, there are many points we do agree on and support,” USOBA Executive Director Jenna Keehnen said. “USOBA has worked tirelessly to ensure consumers have good, safe options when it comes to debt relief and will continue to fight to keep those options available.”

Unfortunately, one of the regulations contains unjust restrictions that will have negative consequences for both consumers and the debt settlement industry. Prohibiting companies to charge any fees while services are being rendered will put many debt settlement companies out of business, thus resulting in significant job losses and the elimination of one of the best options for consumers who are drowning in debt.

According to Ansbach, this FTC ruling is a “solution looking for a problem” with consequences far outweighing any perceived benefit.

For the full FTC TSR Final Rule please click [here](#)

#### About USOBA

The United States Organizations for Bankruptcy Alternatives (USOBA) is dedicated to providing its member companies with important, industry-related information, including compliance requirements, as well as advocating on behalf of its membership for fair and appropriate industry regulation that maintains the utmost in consumer protection. USOBA members are provided a USOBA State Law Summary guide, the only one of its kind in the industry, to better ensure and promote national compliance. This guide contains the laws and regulations, state by state, and has been reviewed by regulators and legislators. For further information, please visit [www.usoba.org](http://www.usoba.org).

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