

## **EXHIBIT B**

### **Debt Collection Activities Study** **Questions on collection activities and costs**

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This outreach is being conducted in order to build the Bureau's knowledge of the operational costs of collecting debt that is in default. The information that you provide will help the CFPB better understand the burden of potential regulations affecting the debt collection industry. Responses are voluntary and will not be used for supervisory or enforcement purposes.

Below is a list of questions about the operation of your business and your costs as they relate to collecting debts. Upon return of this questionnaire, we may follow up with you to ask if you are willing to discuss some of these topics in more detail.

We are sending this survey to a broad range of companies, and some questions may not be applicable to your business. If a question is not applicable to you, please say so. If you have any questions about any part of this document, please email at \_\_\_\_\_ or call \_\_\_\_\_ at \_\_\_\_\_. Once complete, please return this survey by email to \_\_\_\_\_ or by mail to \_\_\_\_\_.

#### **Privacy Notice**

#### **5 U.S.C. 552(a)(e)(3)**

The information you provide through your responses to Consumer Financial Protection Bureau ("CFPB") will assist in gathering information to understand the costs of debt collection activities in order to analyze the potential burden to industry of the Bureau's debt collection proposals.

The CFPB will obtain first name, last name, business email address, and business phone number from participants.

Information collected on behalf of the Bureau by ICF will be treated in accordance with the System of Records Notice ("SORN"), CFPB.022, <https://www.federalregister.gov/articles/2012/11/14/2012-27582/privacy-act-of-1974-as-amended>. This information will not be disclosed as outlined in the Routine Uses for the SORN. Direct identifying information will only be used to facilitate the interview and will be kept private except as required by law.

This collection of information is authorized by Pub. L. No. 111-203, Title X, Sections 1013 and 1022, codified at 12 U.S.C. §§ 5493 and 5512.

Participation in this exercise is voluntary, you are not required to participate or share any identifying information, including first name, last name, business email address and business phone number, and you may withdraw participation at any time. However, if you do not include the requested information, you may not participate in the interview.

1. [Use this version of Question 1 for debt collector respondents only:] Basic questions about the business:

a. Employees:

- i. Approximately how many employees (full-time or full-time equivalents) do you have?  
 \_\_\_\_ number of employees.
- ii. Of these, how many employees are collectors (full-time or full-time equivalents)?  
 \_\_\_\_ number of full time collectors.
- iii. How many are line collection managers?  
 \_\_\_\_ number of line collection managers.
- iv. How many employees are responsible for monitoring compliance with state or federal law (full-time or full-time equivalents)?  
 \_\_\_\_ number of employees responsible for compliance monitoring.

b. In the past year, for each type of debt below, please indicate the approximate share of your net revenue from collecting that type of debt:

	None or less than 1%	1%-20%	20%-50%	50% or more
Credit card				
Student loans				
Auto				
Other consumer credit				
Medical				
Telecom				
Other utilities				
Commercial				
Other (please specify)				

c. As a fraction of all accounts placed with you in the past year, approximately what percentage of accounts falls into the following age categories at the time of placement:

	None or less than 1%	1%-20%	20%-50%	50% or more
<180 days delinquent				
181-360 days delinquent				
>360 days delinquent				

- d. Do you
  - collect debt you own
  - debt owned by your clients
  - collect both debt you own and debt owned by your clients
- e. Approximately how many clients placed accounts with you last year?  
 \_\_\_\_\_ number of clients placing accounts in the past year
- f. Approximately how many accounts do you have in inventory?  
 \_\_\_\_\_ number of accounts in inventory
- g. What is the approximate total face value of accounts that you have in inventory?  
 \_\_\_\_\_ aggregate face value of accounts in inventory
- h. Approximately how many accounts do you actively attempt to collect on in any given month?  
 \_\_\_\_\_ number actively collected on
- i. Do you collect debt from consumers in New York State?  
 yes  
 no

2. [*Use this question for creditor respondents only:*] Basic questions about the business:

- a. Do you have a separate business unit or group of employees dedicated to recovering payments from accounts that are charged off or otherwise severely delinquent?  
 yes  
 no
  - i. If yes, under what conditions are accounts assigned to this unit?  
 \_\_\_\_\_  
 \_\_\_\_\_
- b. The following questions refer to accounts that are charged off or otherwise severely delinquent:
  - i. Approximately how many such accounts do you have in inventory (as of now or a recent date)?  
 \_\_\_\_\_ number of such accounts in inventory
  - ii. What is the approximate total face value of such accounts that you have in inventory?  
 \_\_\_\_\_ aggregate face value of accounts in inventory

- iii. Approximately how many such accounts do your employees actively attempt to collect on in any given month?  
\_\_\_\_\_ number actively collected on
- iv. In addition to or instead of collecting such accounts with your own employees, do you (please check all that apply)  
\_\_ use contingency collectors  
\_\_ sell your debt to debt buyers
- v. Are there types of accounts for which you are more likely to use in-house efforts instead of or in addition to using contingency collectors or debt buyers? (Please list)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. Employees:

- i. How many of your employees are involved in collecting from accounts that are charged off or severely delinquent (full-time or full-time equivalents)?  
\_\_\_\_\_ number of employees
- ii. Of these, how many employees call consumer to attempt to collect (full-time or full-time equivalents)?  
\_\_\_\_\_ number of full time collectors.
- iii. How many are line collection managers?  
\_\_\_\_\_ number of line collection managers.

d. If you send accounts to contingency collectors or sell them to debt buyers , in the past year, approximately what percentage of these accounts fell into the following age categories at the time of placement or sale:

	None or less than 1%	1%-20%	20%-50%	50% or more
<180 days delinquent				
181-360 days delinquent				
>360 days delinquent				

3. Questions about specific business processes. [For the questions below, please answer each question as it applies to your attempts to collect on accounts that are charged off or severely delinquent.]

e. Maintaining and using account information.

- i. What collections management system (or other software system to maintain account information) do you use, if any?

\_\_\_\_\_

If none, how do you track account-level information about accounts you are attempting to collect from?

\_\_\_\_\_

- ii. If program adjustments to your collection management system are required (for example, due to changes in [client policies or] federal or state law), do you rely on your vendor to make those program adjustments or are you able to do this internally?

rely on vendor

do internally

both vendor and internal resources are needed

it depends on the adjustments

- f. [When you receive account information from creditors][In collecting account information from consumers], how often do you receive each of the following: (please check the appropriate boxes)

	Always	Often	Rarely	Never
Full name				
Last known address				
Phone number				
SSN				
Date of birth				
Debt ownership history/Chain of title (where relevant)				
Debt balance at charge-off (where relevant)				
Breakdown of post-charge-off fees and interest				
Account agreement documentation				
Billing statements				

g. Calling consumers.

- i. How many live conversations with debtors does each full time collector have each day, on average?

\_\_\_\_\_ number of live conversations on average

- ii. What dialer vendor (if any) do you use?

\_\_\_\_\_

- iii. Do you use speech analytics software?  
 yes  
 no
- iv. Do you currently leave voicemails for consumers?  
 yes  
 no
- v. Do any of your clients impose restrictions on your call frequency?  
 yes  
 no
- vi. Do you operate in states that restrict call frequency?  
 yes  
 no
- vii. Do you provide consumers with a toll-free number for return calls?  
 yes  
 no
- viii. Do you record collector calls?  
 Do not record calls  
 Record a sample of calls  
 Record all calls
- ix. If you record collector calls, how long do you retain the recordings?  
 months

h. Written communications

- i. For each account, on average, how many letters do you send:  

In the first month after placement?  letters

Over the life of a placement?  letters
- ii. What vendor (if any) do you use to send letters or written notices?  


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- iii. *[Debt collectors only]* When you send validation notices are they  
 sent separately from other written communications  
 included in the same mailing with other communications
- iv. *[Debt collectors only]* At what point do you send validation notices to consumers?

- Shortly after the account is placed with your agency
- Shortly after you begin attempting to contact a consumer
- Once you have made contact with a consumer
- Other (please specify):

i. Disputes

- i. When consumers dispute your efforts to collect, approximately what percentage of disputes are made in writing? \_\_\_ %
- ii. [*Debt collectors only*] When consumers dispute in writing, approximately what percentage of disputes are made within the first thirty days after the validation notice is sent? \_\_\_ %
- iii. When consumers dispute, how frequently does the consumer assert:
  - (1) that they are the wrong consumer: \_\_\_ %
  - (2) that they owe a different amount: \_\_\_ %
  - (3) no specific dispute: \_\_\_ %
  - (4) other specific dispute: \_\_\_ % (please specify)
- iv. [*Debt collectors only*] Do you investigate disputes or do you rely on the creditor to investigate?

j. Payments and charges

- i. [*Debt collectors only*] How do you accept and process payments? Check all that apply:
  - ACH
  - credit card
  - paper check
  - check by phone
  - Other: (please specify) \_\_\_\_\_
- ii. [*Debt collectors only*] Do you use an online payment portal? If so, which vendor provides the portal?  
\_\_\_\_\_
- iii. [*Debt collectors only*] Do you charge convenience fees for use of any forms of payment?

Payment type	Convenience fees	
	Charged	Not charged
ACH		
Credit card		

Paper check		
Check by phone		
other		

- iv. Do you assess post-charge off interest or fees on debt [you own or on behalf of the debt owner]?

	On debt you own	On behalf of the debt owner
Never		
Rarely		
Frequently		
Always		

- k. Skip tracing and otherwise supplementing account information

- i. What vendors do you use for:

1. Obtaining new or updated phone number information

\_\_\_\_\_

2. Other skip tracing

\_\_\_\_\_

3. Screening accounts for deceased consumers, bankruptcy, litigious debtors, etc.

\_\_\_\_\_

4. Account analytics/scoring

\_\_\_\_\_

- l. Furnishing data to credit bureaus:

- i. Do you furnish data to credit bureaus?

yes

no

- ii. If yes:

1. Do you furnish information on all accounts or only some accounts?

all accounts

some accounts

it depends

2. [*Debt collectors only*] Approximately how often do your clients:



	Always	Often	Rarely	Never
Require you to furnish data to credit bureaus				
Prohibit you from furnishing data to credit bureaus				
Allow you discretion as to whether you furnish data to credit bureaus				

3. How frequently do you update data furnished to credit bureaus?  
 \_\_\_\_\_ update frequency

m. Litigation

i. Do you sue consumers as part of your collection efforts?

\_\_ yes

\_\_ no

ii. If you do litigate, what law firms or legal networks do you use in filing lawsuits?

\_\_\_\_\_

iii. Prior to filing a lawsuit, do you engage in any particular outreach to the consumer regarding imminent litigation?

\_\_ yes

\_\_ no

1. If yes, please identify the outreach engaged in:

\_\_\_\_\_

n. [*Debt collectors only*] Compliance topics

i. Do you use compliance management software?

\_\_ yes

\_\_ no

ii. Do your clients conduct audits of your compliance with federal and state laws?

\_\_ yes, clients conduct regular and frequent audits of our legal compliance

\_\_ yes, clients conduct occasional audits of our legal compliance

\_\_ no, our legal compliance is not audited by our clients

o. Are there other significant sources of operational costs not discussed above? If so, please identify them briefly:

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4. Please provide the name and contact information of the person we should contact with any follow up questions about your answers to this survey.

Name:  
Phone:  
Email:

5. Would you be willing to participate in a follow up interviews (in the form of one or two 60-90 minute phone calls) to discuss the topics above in more depth?  
\_\_ yes  
\_\_ no

Thank you very much for taking the time to complete this survey. Please return the survey by email to \_\_\_\_\_ or by mail to \_\_\_\_\_.

### **Paperwork Reduction Act**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor and, notwithstanding any other provision of law, a person is not required to respond to a collection of information unless it displays a valid OMB control number. The OMB control number for this collection is 3170-0032. It expires on 02/29/2016. The time required to complete this information collection is estimated to average approximately 60 minutes per response.

Responding to this collection of information is voluntary. Comments regarding this collection of information, including the estimated response time, suggestions for improving the usefulness of the information, or suggestions for reducing the burden to respond to this collection should be submitted to Bureau at the Consumer Financial Protection Bureau (Attention: PRA Office), 1700 G Street NW, Washington, DC 20552, or by email to PRA@cfpb.gov.

Also, a federal law called the Privacy Act directs how the federal government treats the information contained in your answers to these questions. To understand how and when your information may be shared, you can read the Privacy Act Statement on the CFPB's website at [www.consumerfinance.gov](http://www.consumerfinance.gov). The CFPB will also treat the information received consistent its confidentiality regulations at 12 CFR § 1070.

If the responses you provide to this study are requested under the Freedom of Information Act, the Bureau will withhold such responses to the extent that it determines that they constitute trade secrets or confidential commercial information that you would not ordinarily make public. The Bureau will deem any such trade secrets or confidential commercial information to be "confidential information" for purposes of the Bureau's confidentiality rules at 12 CFR § 1070.40 et seq.

