

★ The State of Debt Collection ★

What is debt collection?

A debt collector is anyone that regularly collects debts for others. Debt is money that is owed and not paid on time. This can be done for anyone: your local plumber trying to get paid for a job he did, a doctor that's owed money for a procedure, or a mobile phone provider that has late paying customers.



What's required of debt collectors?



Debt collectors are required to follow many rules and regulations, among them:

- ✓ The Fair Debt Collection Practices Act governs debt collection practices at the Federal level (there are others for the state level). The FDCPA defines prohibited and allowed practices in debt collection.
- ✓ The Telephone Consumer Protection Act defines legal practices for making business phone calls.
- ✓ The Fair Credit Reporting Act regulates the collection and use of consumer credit information.

How many debt collectors are there?



4100

Debt collection agencies



150,000

Employees



90% of firms
employ 15 employees or less
(Consumer Finance Protection Bureau)



\$5 Billion

In payroll

2011 Data

How big is the debt collection industry?

Debt collectors in the US generate about \$12 Billion a year in revenue, collecting more than \$60 Billion in debt

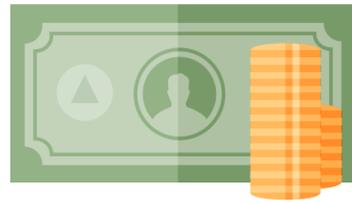
\$12 Billion

Total revenue per year

\$60 Billion

Total collected per year

How do debt collectors make money?



Contrary to popular belief, a majority of debt collectors make money by collecting debts for a third party like a merchant or a bank, without buying the debt. This is called working on a "contingency basis" and it means the debt collector only earns money when they are able to collect.

TrueAccord works on a contingency basis for companies today.

How much debt is there to collect?

At least 30 Million Americans have a debt collection item on their credit report, at an average of \$1500 per item.



\$11.68 Trillion

11.68 trillion in U.S debt



\$1,115.3 Billion

U.S Student loan debt



\$854.2 Billion

U.S Credit card debt



\$8.15 Trillion

U.S Mortgage debt

Debt collection is an essential part of the U.S economy.

The challenge is doing it right. TrueAccord is pioneering a new way to treat the recovery of lost funds and the relationship that was lost with them.



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