Casey Elliott

From: comments
Sent: Friday, March 11, 2011 12:55 PM
To: greenfim@wulaw.wustl.edu; attyboris@aol.com
Subject: UDMSA comment 10
Attachments: FECA Letter re UDMSA Proposed Revisions and Request for Comment.pdf

-----Original Message-----
From: Pompan, Jonathan L. [mailto:JLPompan@Venable.com]
Sent: Thursday, March 10, 2011 11:29 AM
To: comments
Cc: Michael Greenfield
Subject: FECA Letter re UDMSA Proposed Revisions and Request for Comment

<<FECA Letter re UDMSA Proposed Revisions and Request for Comment.pdf>>

Please see the attached letter sent on behalf of the Financial Education and Counseling Alliance with regard to the UDMSA Proposed Revisions and Request for Comment. Thank you.

Jonathan

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Financial Education and Counseling Alliance
FECAlliance@gmail.com

Consumer Credit Counseling Service of Greater Dallas, Inc. • Consumer Credit Counseling Service of San Francisco
CredAbility • Money Management International, Inc.
Garden State Consumer Credit Counseling, Inc. d/b/a Novadebt • GreenPath, Inc.
Springboard Nonprofit Consumer Credit Management, Inc. • Take Charge America, Inc.

March 10, 2011

Via Email (comments@uniformlaws.org)

Standby Committee on the Uniform Debt-Management Services Act
National Conference of Commissioners on Uniform State Laws

Re: Proposed Revisions and Request for Comment and Request for Extension to Comment Period

Dear Standby Committee:

On behalf of the Financial Education and Counseling Alliance[1] we appreciate this opportunity to comment in this letter on the draft proposed amendments of the Standby Committee for the Uniform Debt-Management Services Act to eliminate inconsistencies with the Federal Trade Commission Telemarketing Sales Rule ("TSR").

We are writing to express concerns with proposed changes concerning trust accounts. We understand that Section 22 would be revised to remove the provider from the administration of a trust account. Specifically, subsection (c) would require that the person administering a trust account not be the provider or an affiliate (defined in Section 2) of the provider. Other changes in Section 22 would further define the role of the independent administrator and shift activities that may now be performed by providers to the "person administering the trust account."

As discussed briefly with UDMSA Reporter Professor Michael Greenfield on Wednesday, March 15, 2011, the Alliance believes Proposed Section 22 is inconsistent with the TSR with respect to tax-exempt credit counseling agencies that provide debt management plans, *i.e.*, periodic repayment plans, as part of their education and counseling services for consumer in financial distress. The Alliance believes certain aspects of Proposed Section 22 introduce undue complexity and will lead to unintended consequences that do not meet the Standby Committee's objectives. Alliance members also believe it is vital that any changes to the UDMSA continue to allow tax-exempt credit counseling agencies to administer their own trust accounts for DMPs.

[1] Financial Education and Counseling Alliance member agencies are Consumer Credit Counseling Service of Greater Dallas, Inc., Consumer Credit Counseling Service of San Francisco, CredAbility, Garden State Consumer Credit Counseling d/b/a Novadebt, GreenPath, Inc., Money Management International, Inc., Springboard Nonprofit Consumer Credit Management, Inc., and Take Charge America, Inc. Alliance members are nonprofit, tax-exempt 501(c)(3) organizations focused on consumer credit counseling, housing counseling, financial education and budget and debt management.

We also write to respectfully request that the Standby Committee officially accept comments submitted through Wednesday, March 16, 2011 or a later date. We are concerned that there may not have been proper focus on this issue by many credit counseling agencies until just recently. Indeed, we believe many interested credit counseling agencies may wish to comment on the Amendments and to participate fully in the comment process given the changes proposed. We understand that comments are lacking and that only one comment letter was received as of yesterday. We also understand that Professor Greenfield and a member of FTC staff that works with the TSR will be discussing pertinent background on Thursday, March 10, 2011, which we anticipate will help to inform the work of the Standby Committee.

While we understand comments had been deemed most helpful if received by March 10, a short extension, which we had discussed with Professor Greenfield, would allow interested parties to better engage in the process and provide feedback and comments to the Standby Committee in your deliberations.

Finally, we respectfully request that we be informed in advance of any public forums or other participatory opportunities with regard to the Amendments and the UDMSA.

Please do not hesitate to contact me if you have any questions and thank you in advance for your attention to this matter.

Respectfully submitted,

Financial Education and Counseling Alliance

Consumer Credit Counseling Service of Greater Dallas, Inc.

CredAbility

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GreenPath, Inc.

Consumer Credit Counseling Service of San Francisco

Money Management International, Inc.

Springboard Nonprofit Consumer Credit Management, Inc.

Take Charge America, Inc.

cc: Michael Greenfield, UDMSA Reporter (greenfim@wulaw.wustl.edu)