

Office of the Secretary

## UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580

February 17, 2023

Director Rohit Chopra Consumer Financial Protection Bureau 1700 G Street, NW Washington, DC 20552

Dear Director Chopra:

The Federal Trade Commission (FTC or	Commission) engages	in multi-fac	eted work	
covering the debt collection market and	SUDFWLFHV	W K D W	LPSDFW	FRQVX

## A. Debt Collection Issues Affecting Small Businesses

Protecting small businesses, in addition to individual consumers, is a high priority for the Commission.<sup>4</sup> While some statutes, including the FDCPA, involve household debt, the FTC Act empowers the FTC to take action to protect small business consumers. These actions highlight the type of deceptive and unfair debt collection conduct that exists regardless of whether the victim is a small business or individual consumer, and illustrate the measures the FTC has undertaken to combat such conduct.

For example, in *RCG Advances*, the FTC sued an enterprise and its owners for using illegal tactics, including unfair debt collection practices, when collecting on its merchant cash advances. The FTC alleges egregious behavior by defendants, such as

among other outrageous statements.<sup>5</sup> Last year, the FTC announced two settlements with four of the five defendants involved in the scheme, permanently banning<sup>6</sup> them from the debt collection and merchant cash advance industries and requiring them to pay \$675,000 and \$2.7 million, respectively.<sup>7</sup> the remaining defendant continues in litigation.

In another enforcement action pertaining to small businesses, *American Future Systems* (AFS), the FTC and the Commonwealth of Pennsylvania sued the operators of a telemarketing scheme and a debt collection operation.<sup>8</sup> The AFS telemarketers allegedly billed organizations

<sup>4</sup> For example, in <i>Yellowstone Capital</i> , a p	provider of mercha	ant cash advances was o	ordered to pay more	than

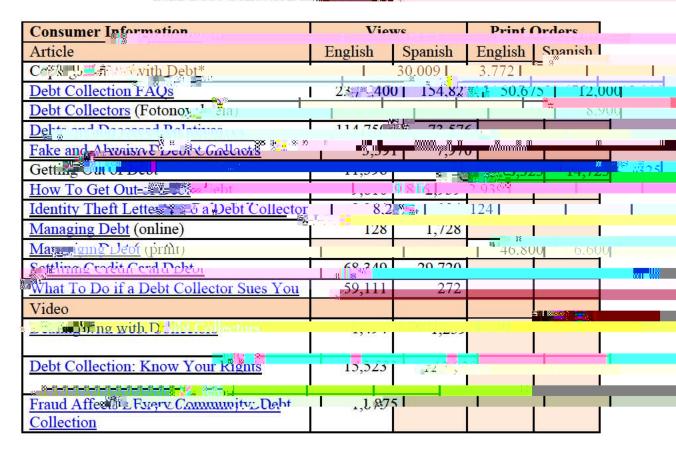
such as businesses, schools, fire and police departments, and non-	
	<u></u>

-		
	_	

ETC staff also more looks meat with land coming any idea, consumer advantage and

## Appendix A

## 2022 Debt Collection Infaormate



Business i Iroformatou	, Nei	82°
Articies	English	Spanish
The Fair Debt Collection Practices Act	13,342	
Video		
Debt Allection	34	9   23

The views consuming of the bow many time a page was viewed on an ETC website. A person who views an article page may also download wire nost, or views. A person who views an article page may also download wire nost, or views.

<sup>\*</sup> In April 2020 and the separately.