



December 10, 2008

Neil A. Wood  
Global Credit Solutions Limited  
P.O. Box 108  
Noble Park  
VIC 3174 Australia

Dear Mr. Wood:

This is in response to Global Credit Solutions Limited's request for an opinion regarding currency conversions for international accounts. The situation arises when a consumer incurs a debt in the currency of one country, moves to another country with a different currency and the account is forwarded to a debt collector in the consumer's new country. The question is whether the debt should be converted into the currency of the consumer's new country and what party bears the loss or benefits from the gain if there is a fluctuation in currency rates between the time the debt is collected and the time the collected amount is remitted to the originating creditor or debt collector.

In researching this issue, ACA was unable to find any statute in the United States or any international statute that would specify the currency in which a debt must be collected in a particular country when forwarded from another country.

ACA International's Code of Operations Rule IV. Member Responsibilities as Forwardees and Forwarders states as follows:

In the absence of a written agreement between the Forwarder and Forwardee, Member and non-member Forwarders and Forwardees who engage in a forwarding arrangement, agree:

- A. Rates of commission and fees are matters of contract between Forwarder and Forwardee and the Association does not presume to establish or suggest any fixed rate or policy that is intended to be binding upon its Members. The Forwarder shall state in the originating forwarding document the net commission rates or fees which shall be

paid to the Forwardee upon collection of the items so forwarded. If the rates or fees stated are not satisfactory to the Forwardee, he or she shall return the item(s) of collection within ten (10) business days to the Forwarder along with all original documentation thereof.

- B. Any change in rates concerning any items forwarded for collection shall be agreed to and acknowledged in writing by both the Forwarder and Forwardee.
- C. Unless otherwise agreed to by both parties, in writing and signed by both parties, the method for computing compensation for internationally forwarded accounts will be based upon a contingent fee method. This means that compensation will be based solely upon a percentage of the amount collected and remitted in the Forwarder's currency. If no funds are collected, no charges or expenses will be paid to the Forwardee. This applies to all collection efforts including legal proceedings (court costs, attorney fees, etc.) unless the parties otherwise agree in writing, in advance of any work being done and /or in advance of any legal action being started. Members who forward accounts for collection should determine whether the country or political unit wherein the Forwardee conducts business, imposes any prohibition or restrictions on the remittance of funds or assets to Forwarders, before forwarding accounts for collection to any such Forwardee.

While ACA's Code of Operations is silent as to whether collection must or should occur in a specific currency, Rule IV.C. states compensation shall be remitted in the Forwarder's currency. In regards to the issue of the currency in which the debt should be collected, it is the position of the ACA International Ethics Committee that it is a matter to be determined by the Forwarder and Forwardee prior to placement of the debt for collection. In addition, the Forwarder and Forwardee should come to an agreement regarding which party will bear or benefit from the gain if there is a fluctuation in currency rates between the time of placement of the debt and the time of remittance of the amount collected.

Sincerely,



Valerie Hayes  
Corporate Counsel  
ACA International