ACA™ INTERNATIONAL
The Association of Credit and Collection Professionals

U.S. Agency Member Application and Agreement

For collection & related companies • 2013

This application is for businesses and firms located in the 50 United States that are performing services related to the collection industry, including but not limited to third-party consumer debt collection, billing and asset buying companies. Please note:

- If your company buys, sells, finances or facilitates asset sale transactions and does not collect debt, ask about direct membership in ACA's Asset Buyers Division.
- If your company is a supplier and does not contact debtors, ask about membership in ACA's Affiliate (Vendor) Division.
- If you collect only for your own company and not for other businesses, ask about ACA's Creditors International (CI) Division, which offers membership for professionals in credit management and lending.

ACA membership by location

- Each office wanting ACA member benefits (access to the members-only website including compliance resources; business discounts; training for employees; insurance, bonds and licensing service; mailed publications; and more) must complete an application and pay dues.
- This is a joint application for dual membership in ACA and the affiliated state/regional association (unit) serving your area. Agency membership is a combined package of national and unit benefits. Units consist of one or more states and are your local source for information, education, networking, legislative advocacy and more.
- Multi-office discounts may be available for companies holding memberships for 50 percent or more of their locations. Please contact us for more information about the benefits of multi-office membership.

Apply at any time

- ACA's membership year is Jan. 1 – Dec. 31 If you apply mid-year, you still pay full annual dues. If a prorated credit applies when your membership is made effective, it will be reflected on your next year's renewal statement.

ACA's governing documents

- Applicants and members agree to abide by the ACA International and Unit Bylaws, Standard Operating Procedures, Policies and Procedures, Code of Ethics and Code of Operations, and Procedural Rules for the Ethics Committee. Copies of the ACA International Code of Ethics and Code of Operations are included at the end of this application. All other ACA documents are available for review at *http://www.acainternational.org*, select "About ACA" and "Leadership & Governance."

Questions?

- ACA's Membership Department is happy to answer your questions about ACA member benefits or the application process. Contact us at (952) 926-6547 or *membership@acainternational.org*.

Checklist for submitting your application

- ☐ Complete, print and initial all pages. Sign the member application and agreement where indicated. The person who initials and signs the application must be a controlling principal with the authority to bind the applicant to the terms and conditions of this U.S. Agency Member Application and Agreement. (See Section I on page 10.)

- ☐ Include copy or equivalent documentation of Letter of Good Standing issued by your Secretary of State in last 90 days. (See Section B, item 3 on page 4.)

- ☐ Include a copy or indicate status of the Collection Agency License issued by your state licensing authority (if applicable). (See Section B, item 4 on page 4.)

- ☐ ACA accepts Visa, MasterCard and American Express. Enclose a check drawn from a U.S. bank in U.S. funds payable to ACA International for total (national + unit) dues. You may add your optional contribution to the ACA International Education Foundation to this amount.

- ☐ Applications paid by credit card may be faxed to (952) 926-1624. Receipt confirmation will be sent within one business day. If you don't receive confirmation, please resend or contact us at (952) 928-8000, ext. 206.

- ☐ Applications paid by check or credit card may be sent with supporting documents to:
  Membership Department
  ACA International
  4040 W 70th St.
  Minneapolis, MN 55435-4104

How information in this application is used by ACA and its affiliated units

For companies in the United States, membership is required in both the state (or multi-state) association (unit) serving your geographic area and ACA International, unless unit membership is not available for your type of company.

The information you provide in this application will be used by the unit's staff and/or volunteers in official leadership capacities, as well as by ACA International, to determine your company's eligibility for membership and to provide you with benefits and services.

ACA International will confirm your application is complete when forwarding it to the unit in which you are seeking membership. The unit has up to 45 days to complete its review process.

ACA™ INTERNATIONAL
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U.S. Agency Member Application and Agreement

Please notify ACA International if any of the information you provide changes after submitting this application

ACA USE ONLY
ID#_____

Section A: Applicant (Company) Information

1. **Date of application** _____

2. **Company name:** *The name applicant wants used in ACA membership record and directory; must be a documented d/b/a.*

   _____

   Company legal name: *The name under which applicant is incorporated or organized.*

   _____

3. **Physical location address:** *The street address where applicant is physically located; the "ship to" address used by delivery services*

   Address _____

   City_____ State _____ ZIP Code _____ + _____

4. **Preferred mailing address or P.O. Box:** *The address at which applicant wants to receive mail from ACA, if different than physical location address.* _____

   City_____ State _____ ZIP Code _____ + _____

5. **Company phone:** *Must be a working number; can be updated later.* (_____) _____

6. **Company phone toll-free** (_____)_____

7. **Company fax** (_____) _____

8. **Company website** _____

9. **Sponsor.** *Optional. ACA would like to thank the unit/ACA member most responsible for your decision to apply for agency membership.*

   Print name _____

   Company name_____

   City_____ State _____

Section B: Business Verification

1. **Type of Company – Check one:**

   ○ Corporation

   ○ Limited Liability Company (LLC)

   ○ Partnership: LLP, LP or GP

   ○ Sole Proprietor

2. **a) Employer Identification Number (EIN)/Federal Tax ID: _____**

   b) Year company was established under EIN above: _____

3. **For your application to be complete, you must submit a Letter of Good Standing/Certificate of Existence.**
   Submit proof that your business is registered and in good standing with the state in which the applicant is physically located/domiciled, dated within 90 days of the date of this application. Qualified documentation includes a screen print of official state website indicating active status or copy of a state-issued report, letter of good standing or certificate of existence.

   ○ **Copy of Letter of Good Standing or other documentation of active status is attached.**

   –AND–

4. **For your application to be complete, you must also submit a Collection Agency License.**
   If applicant is physically located in a state requiring a license to transact collection-related business, submit a copy of the Collection Agency License issued by the state licensing authority. Also, see Section I, item 4 on page 10.

   Please note: Applicants physically located in a.) Florida must submit copy of Collection Agency Registration on file with the Florida Department of Financial Services; b.) New York and located in and/or collecting from consumers in New York City and Buffalo, N.Y., must submit copies of the licenses on file in those cities; c.) Illinois and located in and/or collecting from consumers in Chicago, must submit a copy of the license on file with Chicago starting on July 1, 2013; d.) Michigan or Texas must submit copy of collection agency bond on file with the state; e.) New Jersey must submit copy of the certificate showing a bond has been registered with the State of New Jersey; f.) Delaware and located in and/or collecting from consumers in Wilmington, must submit a copy of the license on file with Wilmington; g.) Nevada and located in and/or collecting from consumers in Carson City, must submit a copy of the license on file with Carson City; h.) Nevada must print name of person on manager's certificate here:_____

   Please check appropriate box:

   ○ **Applicant is taking steps to secure Collection Agency License/Registration or bond paperwork/registration.**

   ○ **Copy of approved Collection Agency License/Registration or bond paperwork/registration is attached.**

   ○ **Applicant is located in State of _____ which does not require a license/registration or bond paperwork.**

   Please note: For purposes of this application, ACA requires licensing documentation for physical location only. However, additional licensing and/or other state requirements must be met prior to collecting from consumers residing in states that require licensing and in the cities of Buffalo, N.Y., and New York City.

   ACA International's Risk Management Department offers services to assist in the completion of state applications to fulfill state licensing and bond requirements. There are fees associated with this service. You are under no obligation to use ACA's services. These services are available to all agency members as well as to pending members who have fulfilled all other requirements of membership. For more information, contact ACA's Risk Management Department at (952) 926-6547.

5. **References.** Required. References are used by the affiliated units and may or may not be contacted. Client references are preferred. If business is new, most units accept other business or professional references.

a) Client Company Name _____

Address _____

City _____ State _____ ZIP Code _____ + _____

Contact name _____ ○ Miss ○ Mr. ○ Mrs. ○ Ms. ○ Dr.

Contact Title _____

Telephone Number _____ Fax Number _____

E-mail _____

This is a: ○ Client Reference ○ Business Reference (see note above)

b) Client Company Name _____

Address _____

City _____ State _____ ZIP Code _____ + _____

Contact name _____ ○ Miss ○ Mr. ○ Mrs. ○ Ms. ○ Dr.

Contact Title _____

Telephone Number _____ Fax Number _____

E-mail _____

This is a: ○ Client Reference ○ Business Reference (see note above)

c) Client Company Name _____

Address _____

City _____ State _____ ZIP Code _____ + _____

Contact name _____ ○ Miss ○ Mr. ○ Mrs. ○ Ms. ○ Dr.

Contact Title _____

Telephone Number _____ Fax Number _____

E-mail _____

This is a: ○ Client Reference ○ Business Reference (see note above)

Section C: Company Owners/Officers/Controlling Individuals

1. **List owners and officers.** List everyone who holds an interest of 10 percent or more in the applicant and what percentage they hold. Please ensure that at least 90 percent of ownership is identified. If owner is another corporation, list corporation name and percentage of ownership held. In addition, list the officers and other individuals who have day-to-day control, if different than the owner(s). If necessary or more convenient, attach separate sheet.

	Please check all positions held. For owners, specify percentage.										
Print Name:	Owners (List %)	President	CEO	COO	Vice President	Secretary	Treasurer	CFO	Director	Managing Manager/Member	Other position (specify):

2. **Do any owners hold ownership in any other ACA member company or location?** ○ No ○ Yes

3. **Have any of the owners or officers** been convicted of a crime or found liable in a civil action for actions or inactions that relate to credit or collection industry practices or procedures, including but not limited to: crimes related to the misuse of funds, client trust accounts, fraud, forgery, embezzlement, tax evasion, identity theft, or other theft or larceny within the past 10 years?

   ○ No.

   ○ Yes. Please state the name of the individual, the date, the nature of the proceeding and outcome.

   _____

Section D: Size of Business

Dues are based on agency/company size (see Section H) and this is determined by a count of all individuals associated with the applicant/member location.

Size of Business must be greater than zero (0) and is to include all owners and officers, where each person counts as one (1). In addition, it includes all collectors, managers, support and other staff*, where the hours of part-time personnel may be added together to determine a full-time equivalent (FTE) number. This FTE number added to the number of owners, officers and full-time personnel equals your total count. This count is referred to as "employees" in Section H.

*Other staff includes, but is not limited to, staff working off-site but reporting to the member location; i.e., outside sales personnel, virtual support, etc.

1. **The current number of "employees" as defined above who work at or are associated with the applicant at this office location:**

   _____

Section E: Contact Person(s) for Unit/ACA Membership Benefits

1. **Ethics Contact.** *Required. The on-site person applicant designates to receive, handle and respond to complaints (if any). This name will be included in your company's online member directory listing.*

   Print name _____ ○ Miss ○ Mr. ○ Mrs. ○ Ms. ○ Dr.

   Position Title _____

   Direct phone _____

   Direct fax _____

   Direct e-mail* _____

2. **Main Contact.** *Required. The on-site person applicant designates as Unit/ACA primary contact to receive all Unit/ACA member mail, faxes and e-mail, and who can determine which Unit/ACA materials are best forwarded or routed to another individual in the company.*

   Print name _____ ○ Miss ○ Mr. ○ Mrs. ○ Ms. ○ Dr.

   Position Title _____

   Direct phone _____

   Direct fax _____

   Direct e-mail _____

3. **Main Contact Backup.** *Optional. The person applicant designates as also able to set up ACA website users/passwords for other employees at this location (if different than the main contact).*

   Print name _____ ○ Miss ○ Mr. ○ Mrs. ○ Ms. ○ Dr.

   Position Title _____

   Direct phone _____

   Direct fax _____

   Direct e-mail* _____

4. **Preferred Billing Contact.** *Optional. The person applicant designates to receive Unit/ACA invoices including membership renewal statements (if different than the main contact).*

   Print name _____ ○ Miss ○ Mr. ○ Mrs. ○ Ms. ○ Dr.

   Position Title _____

   Billing address _____

   City _____ State _____ ZIP Code _____ + _____

   Direct phone _____

   Direct fax _____

   Direct e-mail* _____

**E-mail addresses, if provided, must be unique to each individual.*
ACA's database and website do not accept entry of a duplicate e-mail address already on file for another individual.

Section F: ACA Online Member Directory

Your company's listing in ACA's member directory at *http://www.acainternational.org/memberdirectory* is complimentary. So that we may set up an initial listing for you, please answer the questions below.

Please note: Your listing will include an e-mail address if you provide it. The e-mail address will display only to ACA members logged in to the website. Member e-mails are not visible to the general public.

Company to be listed in ACA Online Member Directory? ○ Yes ○ No

Business name _____

Directory contact name _____

Position title _____

Phone to list in directory _____

Fax to list in directory _____

E-mail to list in directory _____

Website address _____

Section G: ACPAC – ACA International Political Action Committee

Essential to the success of an association's lobbying efforts is a strong political arm. ACPAC, the Political Action Committee of ACA International, is bipartisan and supports candidates for federal office who share and support ACA members' views. Before ACPAC can share information or solicit contributions from company members, corporate approval is required. Completing this section is optional, and organizations choosing not to enroll will not be disadvantaged.

I am an appropriate designee able to request that ACA enroll my company as a member of ACPAC for the years indicated. As a member of ACPAC, our company authorizes ACPAC to solicit voluntary contributions from my company's executive, administrative and management personnel in the U.S. This authorization does not obligate the company to contribute to ACPAC. It does allow ACPAC to keep us informed of political and legislative issues and activities. Authorization can be given to only one trade association federal PAC per year. My company may withdraw its authorization at any time. Federal law prohibits political contributions from foreign nationals. Contributions to ACPAC are not tax deductible.

2013 signature _____

2014 signature _____

Section H: Membership Dues Statement/Invoice

Please consider this your invoice for ACA International and unit membership dues.

ACA International & Illinois Unit Dues 2013

ACA dues current until Dec. 31, 2013

ACA International Association Dues . . . . . **$ 300.00**
(Base fee includes one owner/officer)

Plus: $25.00 for each additional "employee" . . . . . _____ x $ 25.00 = $ _____
"Employee" is defined in Section D *(# of employees minus one)*

Subtotal ACA Dues $ _____
(max. $2,500.00)

Illinois Unit Dues . . . . . **$ 415.00**
(includes one owner/officer)

Plus: _____ x $ 15.00 . . . . . = $ _____
(# of employees minus one) *(max. $185.00)*

Plus: Legislative assessment $75.00

Plus: One-time application fee. . . . . $ 100.00

Subtotal Illinois Dues $ _____
(max. $775.00)

ACA Plus Illinois Dues = Total Dues $ _____

ACA International Education Foundation* Contribution $ _____

TOTAL $ _____

Select Payment Option:

○ Payment Enclosed. Make check for total amount due to: ACA International

○ Charge to credit card: ○ Visa ○ MasterCard ○ American Express

Print name as it appears on the card _____

Account #_____ Exp. Date _____ Security Code_____

Membership dues or fees paid to ACA International and its affiliated units are not tax deductible as charitable contributions for income tax purposes. However, they may be deductible as ordinary and necessary business expenses, subject to restrictions imposed as a result of an association's lobbying activities. ACA International estimates that the nondeductible portion of the national association dues—the portion allocable to lobbying—is 30 percent. The Illinois Unit estimates that the nondeductible portion of your unit dues is 59 percent.

*The ACA International Education Foundation (ACAEF) is a non-profit, public educational foundation dedicated to increasing financial literacy in the United States and to supporting research, job training and educational programs in related areas. In addition, the Foundation offers ACAEF Scholarships to advance the higher education of people employed in the credit and collection industry, and their dependent children. Donations to ACAEF are 100 percent tax deductible as a charitable contribution.

Section I: Membership Agreement and Signature

By signing below I certify on behalf of the applicant, myself and all individuals identified in this application:

1. Applicant is engaged in or performs services substantially related to the collection industry.

2. To be bound by unit bylaws and ACA International Bylaws, Standard Operating Procedures, Code of Ethics and Code of Operations, and Procedural Rules for the Ethics Committee, as these governing documents currently exist or as they may be amended (available for review at *http://www.acainternational.org/governance*). I further represent I have reviewed these documents and understand their content.

3. Membership is not transferable. Membership dues are not refundable except when ACA determines an applicant is ineligible for membership or if an application is denied.

4. Applicant has satisfied or is in the process of satisfying all applicable licensing and regulatory requirements as they relate to applicant's business.

5. To notify ACA International if any of the information provided in this application changes after it is submitted. I understand that if any of the information provided becomes obsolete or inaccurate, the membership application process may be delayed, the application may be rejected or membership in ACA International may be terminated.

6. To use the Association name and member logo only in full compliance with Association policies, and to cease use if membership ends or is terminated for any reason.

I further certify by signing below on behalf of the applicant, myself and all individuals identified in this application, that:

1. I have accurately reported the number of "full time equivalent employees" (as defined in the Business/Industry section of this application) working for the applicant at this office location.

2. All statements and information provided in this application are true.

3. I have verified the accuracy of the statements and information provided.

4. I have the authority to bind the applicant to the terms and conditions of this membership agreement.

Signature _____

Print name _____

Title _____

Percentage ownership _____

Company address _____

City _____ **State** _____ **ZIP code** _____ + _____

Home or cell phone _____

Date _____

Return completed application to ACA Membership Department at address, fax or e-mail on page 2.

Note to Applicants: Please keep this document for your records.

Code of Ethics and Code of Operations of ACA International

The Association of Credit and Collection Professionals • Adopted July 25,2007.

Code of Ethics

Rule I. Conditions of Membership in ACA International.

To qualify for and maintain a membership in ACA the applicant or Member shall:

A. Abide by the ACA Code of Ethics, Code of Operations and Procedural Rules for the Ethics Committee and the Bylaws and Standard Operating Procedures of the Association (hereinafter collectively referred to as "Rules").

B. Supply information on the nature of the applicant or Member's business and background information about company principals and management personnel.

C. Not have been convicted of a crime or have been found liable in a civil action for actions or inactions that relate to credit or collection industry practices or procedures, including but not limited to: crimes relating to the misuse of funds, client trust accounts, fraud, forgery, embezzlement, tax evasion, identity theft, or other theft or larceny within the past 10 years.

D. Cooperate with and abide by the Association's self-regulation efforts, its formal and informal complaint resolution programs and comply with the Association's Rules.

E. Designate a contact person having sufficient responsibility within the organization to deal with consumer complaints and provide information about this contact person to the Association in accordance with the Procedural Rules for the Ethics Committee.

F. Promptly respond to all complaints forwarded by the Association or from any other official complaint resolution program adopted by the Association, make a good faith effort to resolve all such complaints in accordance with generally accepted good business practices and the Procedural Rules for the Ethics Committee as amended from time to time and comply with the terms of any findings issued in such proceedings.

G. Meet its financial obligations, including, without limitation, financial obligations to the Association.

H. Require each collector within the organization to adopt and agree to abide by the Collector's Pledge which states

> I believe every person has worth as an individual.
>
> I believe every person should be treated with dignity and respect.
>
> I will make it my responsibility to help consumers find ways to pay their just debts.
>
> I will be professional and ethical.
>
> I will commit to honoring this pledge.

Rule II. Ethical Conduct Required of Members of ACA International.

A. In addition to a continuing duty to adhere to the requirements of any applicable laws, regulations and rules concerning credit and collection industry practices, each Member has a duty to:

1. Treat consumers with consideration and respect.
2. Communicate with consumers with honesty and integrity.
3. If the Member is a debt collector (as defined in Section 803(6) of the FDCPA) upon receipt of a written request for verification of a debt from a consumer, suspend collection activities on the account, and provide verification of the debt. If such Member does not or is unable to provide verification of the debt in response to a consumer's written request for verification, the Member will:
   a.) Cease all collection efforts;
   b.) Direct or request removal of the item from the consumer's credit report or report the item as disputed to the appropriate credit reporting agency, at the member's next available opportunity (if applicable); and
   c.) When closing and returning an account, notify the credit grantor, client, or owner of legal title to the debt that collection activity on the account was terminated due to the inability to provide verification of the debt.
   d.) If requested by the consumer in writing, notify the consumer that collection efforts have been terminated by the Member. [This provision will only take effect upon ACA's receipt of a formal advisory opinion from the FTC addressing a third party debt collector's ability to provide this notice.]
4. In addition to any requirements imposed by law or regulation, in instances of alleged identity theft, fraud or mistaken identity, conduct a reasonable investigation to determine the validity of the debt, the identity of the obligor on the account and the accuracy of the information in the possession of the Member.
5. Comply with its contractual obligations to the National Automated Clearing House Association (NACHA).
6. Not threaten or initiate collection litigation on time barred debts.
7. Seek to obtain access to accurate and complete information about any accounts being purchased by the Member and obtain evidence of the chain of title to the debts being purchased.
8. Adopt an internal code of conduct.

B. In addition to a continuing duty to adhere to the requirements of any applicable laws, regulations and rules concerning credit and collection industry practices, each Member will:

1. Not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation including but not limited to misrepresentation for the purpose of obtaining

membership in the Association, a license, a certificate of registration, a certificate, a credential or business related insurance.

2. Not harass, threaten, or coerce a person, including but not limited to, on the basis of race, sex, age, creed, religion, color, national origin, disability, sexual preference, gender or marital status in connection with a Member's professional business, Association activities or while acting in a representative capacity of the Association.
3. Not engage in dishonorable, unethical or unprofessional conduct of a nature or character likely to deceive, defraud, or harm a consumer, customer, member of the Association or the public.
4. Use reasonable efforts to safeguard the confidentiality, integrity and availability of consumer information entrusted to the Member's possession and control.
5. Refrain from using the name or logo of the Association for commercial sales or advertising purposes in a manner not specifically authorized by the Association.
6. Refrain from knowingly representing that it is affiliated with, or endorsed by an institution or organization when such an affiliation or endorsement does in fact not exist or that the Member has achieved a professional designation when such achievement does in fact not exist.
7. Make reasonable efforts to ensure the Member, its principals and its employees comply with the laws, regulations and rules under which the Member performs credit or collection services or debt purchasing and the Association's Rules.
8. Take adequate precautions to distinguish between the Member's personal views and the views of the Association, its subsidiaries and affiliates when communicating with third parties.
9. Not communicate, share or distribute any proprietary or confidential information which the Member acquires in the course of performing duties as an Association Member, officer, director, committee member or instructor which could have a detrimental impact upon the business or reputation of this Association, its affiliates, alliances or subsidiaries or any other member of the Association; nor shall any Member use any such information described herein to promote the Member's self interest or business interest.
10. Place any member of the Association or the industry who they suspect, or know, to be violating the ACA Code of Ethics, Code of Operations or Rules on notice of the alleged violation and seek to identify a solution. Report such member of the Association or the industry to the Association's Ethics Committee for further action if such party's continued violation of the ACA Code of Ethics, Code of Operations or Rules appears to be willful.

Rule III. Enforcement Actions.

Any Member may be admonished, suspended or expelled for cause due to conduct, acts or omissions contrary to the Rules. Such conduct, acts or omissions can result in review of membership status by the Association's Membership Board of Review Committee and can result in an investigation and review by the Association's Ethics Committee in accordance with the Procedural Rules for the Ethics Committee. All final actions of the Ethics Committee regarding the suspension or expulsion of a Member shall become a matter of public record. At the request of the Member, a notice of exoneration may become a matter of public record.

Rule IV. Amendments.

The foregoing may be amended or altered in whole or in part by a majority vote of the Association's Ethics Committee. Any such amendments are then subject to final approval of the Association's Executive Committee. Notification of approved changes shall be sent promptly to the Association Membership using the most appropriate communications medium(s).

Code of Operations

Rule I. Scope and Purpose.

This Code of Operations shall govern all Members of the Association and be enforced pursuant to the terms of the Procedural Rules for the Ethics Committee. It is intended to apply to the extent it does not conflict with applicable federal and state laws, statutes, rules, regulations, licensing requirements, or other authority. Members shall apply this Code of Operations to their business practices in order to promote positive business relationships among clients, vendors, and outsourcing partners.

Rule II. Member Responsibilities - Business Relationships.

A. In business relationships with clients Members are encouraged to perform services subject to a written agreement.
   1. In the absence of a written agreement Members shall make settlement with clients at least once each calendar month. Such settlement shall not be later than thirty (30) calendar days after the close of the calendar month for which the settlement is made or as otherwise controlled by state law.

B. When furnishing data on a consumer credit report, a Member has a duty to:
   1. First obtain the authorization of the creditor, forwarder or party holding title to the account to perform credit reporting services;
   2. Accurately report the date of delinquency as required by the Fair Credit Reporting Act;
   3. Take reasonable steps to avoid furnishing data to a consumer credit reporting agency about an account that is presently subject to reporting by another data furnisher; and
   4. Delete data furnished to a consumer credit reporting agency upon cancellation and return of an account to

the creditor, forwarder or party holding title to the account.

C. A Member may at no time engage in unlawful activities, schemes, financial arrangements or kickbacks with clients, employees of clients, agencies, entities or collection professionals, including but not limited to acts or omissions giving rise to allegations of bribery, malfeasance or unprofessional conduct as determined by the Association's Ethics Committee.

Rule III. Member To Member Responsibilities.

In relationships with fellow Members, each Member shall:

A. Not knowingly, negligently or with disregard of the truth, misrepresent its own qualifications, record, collection rates, capacity, experience or abilities or of any other Member or employee of any Member.

B. Not recruit or solicit prospective employees at any Association sponsored seminar, program, conference, convention, meeting or activity, or use their status or position within the Association to accomplish the same.

C. Not knowingly or with reckless disregard of the truth, misrepresent the qualifications, record, collection rates, capacity, experience or abilities of any Member.

Rule IV. Member Responsibilities as Forwardees and Forwarders.

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.

D. In the instance when an account is forwarded for collection of an amount which includes charges in addition to the principal balance due, the forwarding documents shall include an itemization of each such additional charge. Moreover, unless otherwise prohibited by law, any decision to collect such charges from the consumer shall be the sole responsibility of the Forwarder and said Forwarder shall indemnify and hold Forwardee harmless for any damages including compensatory, actual and punitive which Forwardee incurs as a result of Forwarder's decision and demand to collect such additional charges. As used in the Association Code of Operations, charges subject to this provision shall include, but are not limited to, interest, penalties, court costs, sheriffs' fees, bank charges, garnishment fees, attorney fees and costs of service of process.

E. The Forwarder shall disclose any disputes of which the Forwarder has knowledge and advise whether or not an itemized statement can be produced upon request of the Forwardee.

F. The Forwardee shall, within ten (10) calendar days of receipt of the originating forwarding letter or document acknowledge all items forwarded for collection by accepting or rejecting them in writing. If the Forwardee rejects an account or item forwarded for collection, he or she may, but is not required to, inform the Forwarder of the reason for so doing.

G. Forwardee shall respond promptly to requests for reports from Forwarders.

   1. Reports shall not be requested or expected sooner than one hundred fifty (150) calendar days after the forwarded account has been either acknowledged, payment received thereon or following the last report, unless otherwise agreed to in writing by the parties.

   2. After two (2) requests for reports have been made by a Forwarder, without response from the Forwardee, the Forwarder may give fifteen (15) business days' notice of cancellation of the forwarded account by certified mail, and if no report is given within this time (15 business days), the forwarded account shall be considered canceled and returned to the Forwarder.

H. Except as provided in paragraph I below, allow the Forwarder or the client of the Forwarder the right to withdraw any account or item forwarded for collection, six months after they have been listed for collection, within thirty (30) calendar days of receipt of such a request in writing, if there has been neither payment, promise of payment or legal action filed since the account or item was forwarded which reasonably entitles the Forwardee to retain the item or account for further collection effort.

I. Allow the Forwarder or the client of the Forwarder the right to withdraw any account or item forwarded for collection immediately upon evidence that the Forwardee has breached the contract in effect between the Forwarder and Forwardee.

J. The Forwarder shall promptly report to Forwardee any direct payments made either to Forwarder, or to the creditor. The Forwarder shall remit such amounts to the Forwardee within thirty (30) calendar days after being rendered a statement by

the Forwardee or otherwise settle with Forwardee in a manner acceptable to both Forwarder and Forwardee.

K. Where a forwarded account is paid directly to the creditor or to the Forwarder after the account or item for collection has arrived at the office of the Forwardee and the Forwardee has acknowledged receipt of same and commenced work on the account, the Forwardee shall be entitled to the usual commission.

L. Unless otherwise agreed by both parties in writing, the Forwardee shall make settlement with the Forwarder within thirty (30) calendar days of receipt of negotiable, collected funds on forwarded account. Forwardee shall be entitled to retain its court costs and attorney fees before application of principal amount. The costs of transmitting funds are to be paid by the agency forwarding the funds unless otherwise agreed to in writing by the parties.

M. Within thirty (30) calendar days of discovering that a check used as the manner of payment by a consumer was dishonored or recalled by bankruptcy petition, the Forwardee shall provide Forwarder with actual notice of this information. If after having complied with the preceding notice provision, the proceeds of a collection item are received by a Forwarder, and the check that was the manner of payment by the consumer is dishonored by the drawee bank or recalled by bankruptcy petition, the Forwarder shall be obligated to restore to the Forwardee all the remitted funds including the shares of both the creditor and the Forwarder, irrespective of whether the Forwarder has actually remitted the proceeds to the creditor, or not.

N. Upon receipt of an account forwarded for collection, the Forwardee shall, within thirty (30) calendar days of receipt determine whether the consumer resides in a geographic area serviced by Forwardee. If the Forwardee learns that the consumer is located in a geographic area other than that serviced by the Forwardee, the Forwardee shall return the forwarded account to the Forwarder. However, if the Forwardee has made settlement arrangements with the consumer, the Forwardee will be permitted to retain the account so long as payments are being timely received in accordance with the terms of the settlement arrangement.

O. The Forwardee may not reforward a claim without the written consent of the original Forwarder.

P. In cases where the item forwarded is a judgment which includes costs, the Forwardee shall be entitled to receive the regular commission due on the collection of the entire judgment, unless different arrangements have been made in advance between the parties.

Q. A Forwardee, having relinquished an account, and after giving notice to that effect to the Forwarder, may accept payment from the consumer with the understanding that said Forwardee is not entitled to compensation on any such payment unless expressly authorized by the original Forwarder.

R. No Forwardee shall charge and retain from one account the commissions claimed on another, where there is no authority to do so. This means that no Forwardee may offset one account against another, even if from the same Forwarder.

S. The Forwardee shall limit all written and oral communication to the Forwarder's client to only those matters which the Forwardee agency has been expressly authorized by Forwarder to communicate.

T. When returning, relinquishing or terminating an account or item for collection, the Forwardee shall return all of the original documents evidencing the obligations which were provided to the Forwardee by the Forwarder.

U. Before reforwarding an account, Forwarder shall request return of the account and secure its release from the original Forwardee in writing. Failure to comply with this provision may result in liability for multiple commissions by the Forwarder to the Forwardees.

V. No Forwardee shall compromise or settle any account forwarded for collection without first obtaining the written consent of the Forwarder. In addition to other sanctions and penalties, a Forwardee who violates this provision shall be liable to the Forwarder for the full amount of the account, less commission, unless the Forwarder ratifies the settlement or compromise.

W. It shall be assumed that all accounts forwarded by any Member of this Association and, all related activity to any other Member of this Association, is pursuant to this Code of Operations, the related Code of Ethics, and the Procedural Rules for the Association Ethics Committee.

X. Any healthcare account forwarded for collection must be serviced according to a business associate agreement between the Forwarder and Forwardee.

Rule V. Amendments.

The foregoing may be amended or altered in whole or in part by a majority vote of the Association's Ethics Committee. Any such amendments are then subject to final approval by the Association's Executive Committee. Notification of approved changes shall be sent promptly to the Association Membership using the most appropriate communications medium(s).

Rule IV. Effective Date.

This Code of Ethics and Code of Operations shall be effective as of this 25th day of July 2007.

Note: The Code of Ethics and Code of Operations, the Procedural Rules for the Ethics and Professional Responsibility Committee, and other ACA International governing documents may be viewed at *http://www.acainternational.org*. Select "About" and "ACA Governance and Self Regulation."

This information is not intended as legal advice and may not be used as legal advice. It should not be used to replace the advice of your own legal counsel. Any information contained in this material is based on current research into the issues on the specific facts involved herein.

As amended by the ACA International Executive Committee Nov. 23, 2010.

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