

June 10, 2016

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th St., SW, Room TW-A325
Washington, DC 20554

RE: CG Docket No. 02-278

Dear Ms. Dortch:

On behalf of Pinnacle Recovery, Inc., I am writing to express our support for the comments submitted by the National Council of Higher Education Resources (NCHER) in response to the May 6, 2016 Notice of Proposed Rulemaking seeking comments on the Federal Communication Commission's (the "Commission's") proposal to prescribe regulations to restrict or limit the number and duration of calls made to a telephone number assigned to a cellular telephone service for the purpose of collecting a debt owed to or guaranteed by the United States. Pinnacle Recovery, Inc. is a Corporation and NCHER member that is a subcontractor for two unrestricted private collection agencies on the U.S. Department of Education Contract.

Specifically, we support the following comments and recommendations made by NCHER:

- The unique nature of federal student loans, including the availability of multiple repayment plans that help distressed borrowers manage their debts and a generous rehabilitation program that allows defaulted borrowers to remove their loans from default, justifies a set of rules specifically for this industry.
- Covered calls should include servicing calls that are made to borrowers before and during periods of delinquency, and it is ill-advised to wait until borrowers are delinquent before allowing covered calls to be made.
- Student loan borrowers want and need timely and accurate information in order to make the best decisions regarding managing their student loan debt, and it is wrong to automatically assume that borrowers must be "protected" from receiving such information.
- Covered calls include only calls made by or on behalf of the creditor; in the federal student loan context, this includes the U.S. Department of Education for loans made under the Federal Direct Loan Program and loans put or assigned to it that were made under the Federal Family Education Loan Program (FFELP) and the Federal Perkins Loan Program; authorized lenders and guaranty agencies for loans made under FFELP; colleges and universities participating in the Federal Perkins Loan Program; and in each case, entities or agents acting on their behalf, including third-party servicers, private collection agencies, and colleges and universities, in their roles of assisting in the collection of federal student loans to reduce student loan delinquency and default.
- Covered debt should include all loans authorized under the Higher Education Act of 1965.
- Covered calls are those made to the number the caller reasonably believes belongs to the debtor.
- In the case of wrong-party calls, we disagree with the Commission that its "one-call window" to discover if a number has been reassigned constitutes a reasonable opportunity to learn of the reassignment, and we agree with NCHER's recommendation that the Commission allow one live contact, not simply one attempt, to constitute a reasonable opportunity to learn of a reassigned number.

- It serves no useful purpose, and is in fact harmful, to argue that all calls in the context of federal student loans, including debt collection calls, are harmful and unwanted.
- The federal government should embark on a public service campaign in the student loan arena encouraging borrowers to “Take the Call.” Doing so would allow borrowers to receive important information concerning their loans, better understand the borrower-friendly options and consumer protections inherent in the federal student loan programs, and more-successfully manage their debt. A borrower who “takes the call” receives important information and also stops further calls unless requested by the borrower, two basic goals of the Commission.
- The frequency of calls should allow for: nine call attempts in any consecutive seven-day period; no further call attempts in the same week once a successful contact is made, which is defined as a live conversation with the borrower; three call attempts per day without consent of the person that owns the phone number called; one voice message to the person called in any consecutive seven-day period; one text message to the person called in any consecutive seven-day period; contact attempts must be made between the hours of 8:00 a.m. and 9:00 p.m. in the time zone of the individual being called; and nothing prohibits calls or texts requested or agreed upon by the consumer.
- The duration of calls resulting in live conversation should not be limited as this would curtail the ability to properly explain the various unique and often complex options available to resolve federal student loan delinquency and default, and to gather the factual information needed to help the consumer reach the option best suited for his or her individual circumstance – the called party can always unilaterally end the conversation.
- The duration of voice or prerecorded messages should not exceed 60 seconds, and any limit to the length of voice, prerecorded, or text messages should allow for compliance with any required disclosures for debt collection attempts and give sufficient remaining space for meaningful content from servicers.
- The Commission should work with the Consumer Financial Protection Bureau (CFPB), the U.S. Department of Education, and other federal agencies to harmonize overlapping rules and requirements to the extent possible.
- The consumer should not be given the right to revoke application of the statutory exception granted by Congress and, therefore, there should not be a notification as to that “right.” However, if the Commission elects to provide consumers with such a declaration, callers should establish a uniform procedure for debtors to stop future collection calls covered by the rule.
- The Commission should not use the current rulemaking process as authorization to limit legitimate calls that currently can be made under the law, including debt that has no connection to the collection of debt owed to or guaranteed by the United States.

Thank you for the opportunity to provide comments regarding the Commission’s Notice of Proposed Rulemaking. Pinnacle Recovery, Inc. urges the Commission to fully consider the comments and recommendations made by NCHER on behalf of its members and to implement a set of rules specifically for the federal student loan program.

Sincerely,



Margaret Eardley
President and Chief Operating Officer