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ATTORNEY GENERAL MASTO ANNOUNCES SETTLEMENT WITH DEBT COLLECTOR NCO FINANCIAL SYSTEMS

State of Nevada to Receive \$51,500 for Consumer Protection Enforcement Efforts

Las Vegas, NV – Attorney General Catherine Cortez Masto announced today that debt collector NCO Financial Systems, Inc. (NCOF) has agreed to change certain collections practices as part of a settlement with Nevada and 18 other states. The settlement resolves concerns about NCOF's debt collection practices.

"NCO Financial Systems engaged in misleading and deceptive debt collection practices harming Nevadans," Masto said. "This settlement ensures that this company will be more transparent about consumer's rights while sending a message to other companies that we will not let them take advantage of our citizens."

In the settlement, NCOF agrees to:

- Comply with the federal Fair Debt Collection Practices Act, the federal Fair Credit Reporting Act, and all applicable state laws.
- For debts reported to the credit reporting agencies, notify the credit reporting agencies within 30 calendar days of (1) any verbal or written consumer dispute or (2) receiving the results of an investigation into the accuracy or completeness of previously reported information.
- Provide notice to consumers about their debt collection rights under federal and state law.
- Monitor compliance, including training and monitoring its representatives and independent contractors, creating written policies and procedures for handling consumer complaints, and submitting compliance reports to the states every six months for 18 months.

Consumer restitution will be available for three years following the effective date of the agreements. NCOF will set aside \$950,000, or \$50,000 for Nevada and each of the additional participating states, for consumers who have valid claims that meet one of the following criteria:

- Consumer paid NCOF a third party debt that the consumer did not owe;
- Consumer overpaid interest on a third party debt that was not supported by the underlying agreement between the debtor and the original holder of the debt or as otherwise permitted by law; or
- Consumer paid more on a third party debt than the amount NCOF agreed to settle the account.

Nevada consumers who believe they have a claim should call the Nevada Attorney General's Bureau of Consumer Protection Hotline 702-486-3132 and press 7 to receive instructions for submitting a claim. Valid claims will be submitted to NCOF and the company will provide payments to eligible consumers.

NCOF also has agreed to pay \$575,000 for the states' consumer protection enforcement efforts. Because Nevada is a member of the Executive Committee, a group that leads investigations and negotiations for the working group, the State will receive \$51,562 for the Attorney General's office to help pay for consumer protection enforcement.

In addition to Nevada, the states involved in the NCOF settlement include: Alaska, Arkansas, Idaho, Illinois, Iowa, Kentucky, Louisiana, Michigan, Nebraska, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, Vermont, and Wisconsin.

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