

CONSUMER BILL OF RIGHTS

In all that we do, we strive to treat consumers with respect and integrity. We are committed to engaging in dialogue that is respectful and constructive, creating solutions for our consumers that resolve their debt, and ensuring that those who work on our behalf adhere to these same standards. We operate in compliance with the laws that regulate our industry, and we hope to play an important and productive role in people's lives.

Article 1: Contacting Consumers in a Timely and Effective Manner

- a. At the outset of collection activity, we will send a debt validation notice informing the consumer that their account has been purchased, identifying the creditor that held the debt at default, clearly stating the balance owed, and giving the consumer an opportunity to both request further information and resolve the debt.
- b. Before sending the debt validation notice, we will use reasonable efforts to verify the consumer's current address.
- c. If any debt validation notice to a consumer is returned, we will disable that address, use reasonable efforts to verify the consumer's current address, and, if found, send another validation letter to the new address.
- d. All collection letters we mail to a consumer will identify the creditor that held the debt at default, the creditor's account number, and the current balance owed, along with other identifying information, as appropriate.

Article 2: Resolving Accounts Quickly and Honestly

- a. Our employees who interact with consumers will be trained on, and expected to comply with, applicable federal, state and local laws and regulations concerning fair and ethical collection practices. Employees' conduct in this regard will be monitored for compliance.
- b. When interacting with consumers, our employees will listen and work hard to understand their consumers' needs.
- c. Our employees will strive to develop and present innovative payment options that allow for the effective repayment of the obligation and accommodate the consumer's financial situation. Payment options will be discussed with the consumer in plain and simple language.

- d. Any payment arrangement agreed to between a consumer and our company over the telephone will be confirmed in a letter and promptly mailed to the consumer's address.
- e. If we make a mistake, we will devote time, attention, and effort to resolve it promptly and appropriately. We will work hard to learn from our mistakes, and to use what we've learned to improve our consumers' overall experience when interacting with us.

Article 3: Forgiveness and Hardship Guidelines

- a. We will cease collection activities when a consumer's account is proven to be the result of identity theft, and will instruct credit reporting agencies to delete any references we have reported for the account from the consumer's credit reports.
- b. We will cease collection activities when we receive documentation indicating that the consumer's only source of income is from exempt sources, such as Social Security or Supplemental Security Income benefits, and that the consumer has access to no other assets.
- c. We will suspend collection activities when a consumer demonstrates that they are experiencing significant financial hardship due to medical issues.
- d. We will suspend collection activities when a consumer is a direct victim of a natural or other catastrophic disaster.
- e. We will strive to offer consumers who have entered into a settlement agreement with us a reasonable grace period when they encounter unforeseen circumstances, such as job loss.

Article 4: Collection Practices that Promote Settlement and Preserve Dignity

- a. When interacting with consumers, our employees will engage in dialogue that is respectful, honorable and constructive.
- b. We will offer discounts and payment plans to consumers in an effort to establish a mutually beneficial resolution that the consumer can afford.
- c. To protect the privacy of the consumer, we will not systematically leave unsolicited messages on a consumer's voice mail.
- d. To help facilitate the repayment of an account, we will not assess fees or interest to a consumer's balance throughout the period of active repayment unless third-party firms handle the account. Missed payments will invalidate this policy.
- e. When we receive official confirmation of a bankruptcy proceeding for a particular account, we will stop collection efforts unless the case is dismissed.

Article 5: Safeguarding Consumer Information

- a. When reporting to credit reporting agencies, we will provide timely and accurate updates and will conduct a reasonable investigation of any disputes based on the information provided. When information is found to be incorrect or outdated, we will instruct the agencies to correct or delete the information.
- b. In accordance with applicable law, we will employ safeguards to ensure that the existence or amount of a consumer's debt and any confidential consumer information, including Social Security Numbers, are not disclosed in any contact with third parties unless the consumer has previously provided permission.
- c. We will take all reasonable steps necessary to protect the security and confidentiality of consumer information, defend against anticipated threats, and prevent unauthorized use of that information.
- d. We will maintain all necessary permits, licenses or other authorizations required to purchase and service consumer receivables and will make efforts to ensure that third parties acting on our behalf also have appropriate authorizations.
- e. We will maintain records documenting the collection activities undertaken on our accounts and will maintain those records for a reasonable period of time.
- f. We will maintain a training program for newly hired collection representatives that covers state and federal laws and interpersonal skills. The training program will require collection representatives to pass a comprehensive examination that includes information on the federal Fair Debt Collection Practices Act before they are assigned to permanent duties and an annual re-examination to ensure continued mastery of important concepts.
- g. We will conduct background checks on all prospective employees.
- h. We will maintain a dedicated quality control effort under the supervision of our legal counsel, compliance officer, or other senior manager responsible for compliance oversight. Our quality control effort will include measures such as peer reviews, in-person monitoring, observation of collection system entries, and call monitoring and recording, both to ensure proper monitoring of collection practices and procedures and to identify deficiencies.
- i. We will not resell accounts to third parties in the ordinary course of our business. In the future, if we have an occasional instance when we do resell accounts, we will only do so when we can provide the purchaser with documentation evidencing the amount owed on the account and clear title of ownership.

Article 6: The Fair and Reasonable Use of Litigation to Resolve an Outstanding Obligation

- a. Prior to pursuing a collection strategy that may include litigation, we will attempt to contact the consumer to let them know that the next step in the collection process will be their referral to a law firm.
- b. We will engage law firms that litigate in good faith and treat consumers with respect.
- c. Prior to signing affidavits, our authorized representatives will read, understand, and fully verify document contents as appropriate to ensure accuracy. All notarized documents will be signed in the presence of a certified notary who is acknowledging the signature.
- d. Prior to pursuing litigation, our attorneys and law firms will confirm that the applicable statute of limitations on the debt has not expired.
- e. We will not pursue litigation or otherwise collect on accounts where we are not the rightful owner, and we will require our attorneys and law firms to provide proof of such ownership when requested by a court.
- f. We will instruct our law firms to engage process servers who are reputable, licensed, in good standing with applicable regulatory agencies and trade associations, and who both conform to all legal requirements concerning the service of process, and employ systematic checks to validate effective service (e.g., the appropriate use of technology, digital pictures, compliance audits, etc.).
- g. We will instruct our law firms to include, where permitted by court rules, the name of the creditor that held the debt at default, reference to the creditor's account number, and other information to help the consumer identify the origin of the debt.
- h. We will instruct our law firms to never ask courts to issue bench warrants or other forms of body attachment which compel a defendant's appearance in court, except in those rare instances when the defendant fails to respond to a direct order from the court after we obtain a judgment.
- i. Unless required by contract or law, we will not unilaterally initiate an arbitration hearing on a consumer's account.

The use of the words "we," "us," or "our" is meant to apply to Encore Capital Group, Inc., Midland Credit Management, Inc., our affiliated corporate entities, and their employees, as required by the context. We will also strive to ensure that our third party service providers, agents, and attorneys adhere to these, or similar, principles when representing us. Please understand that Midland Credit Management is a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose.