



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection

March 6, 1997

Vincent M. Amberly, Esq.
Miles & Stockbridge
1751 Pinnacle Drive
Suite 500
McLean, Virginia 22102

Re: National Foundation for Consumer Credit

Dear Mr. Amberly,

This responds to your letters of July 23, 1996 and February 27, 1997, requesting the FTC staff's opinion as to whether the adoption of three proposed policies by the National Foundation for Consumer Credit ("NFCC") will satisfy the requirements of Section 5 of the Federal Trade Commission Act ("FTC Act"). Section 5 of the FTC Act declares unfair or deceptive acts or practices unlawful.

The NFCC is considering adopting policies which would require its members to:

- (1) provide a uniform disclosure of the financial support its members receive from creditors in all appropriate communications with consumers;
- (2) disclose its members' dual role of helping both consumers and creditors in any general discussion of Debt Management Plans ("DMPs"); and
- (3) provide a reliable estimate of the duration of proposed DMPs. Failure to follow the policy could result in termination of an organization's membership in the NFCC. It is the FTC staff's opinion that the NFCC'S proposed policies as stated in your letters would satisfy the requirements of the FTC Act. This opinion is advisory in nature and not binding on the Commission.

We greatly appreciate the NFCC's cooperation in working with the FTC staff to develop the proposed policies and willingness of the NFCC Board of Directors to consider the adoption of these policies. Please let me know what action is taken by the NFCC Board at its upcoming meeting regarding this matter.

Yours truly,

A handwritten signature in black ink that reads "Lucy Morris".

Lucy Morris
Assistant Director
for Credit Practices