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**Header**

 List View

**General Information**

Contact

Default Values

Discount

Document Information

**Procurement Folder:** 30609

**SO Doc Code:** CRFQ

**Procurement Type:** Central Master Agreement

**SO Dept:** 0212

**Vendor ID:** 000000126266

**SO Doc ID:** SWC1500000006

**Legal Name:** PENN CREDIT CORP

**Published Date:** 11/12/14

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**Close Date:** 11/20/14

**Total Bid:** \$0.00

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**Status:** Closed

**Response Time:** 13:13

**Solicitation Description:** Addendum #1 Statewide  
Contract for Debt Collection

**Total of Header Attachments:** 0

**Total of All Attachments:** 0



Purchasing Division  
2019 Washinton Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

State Of West Virginia  
Solicitation Response

Proc Folder : 30609

Solicitation Description : Addendum #1 Statewide Contract for Debt Collection

Proc Type : Central Master Agreement

Date issued	Solicitation Closes	Solicitation No	Version
	2014-11-20 13:30:00	SR        0212   ESR11131400000000956	1

VENDOR
000000126266  PENN CREDIT CORP

FOR INFORMATION CONTACT THE BUYER

Debbie Watkins  
(304) 558-3568  
debbie.a.watkins@wv.gov

Signature X	FEIN #	DATE
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All offers subject to all terms and conditions contained in this solicitation

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Debt collection services - Colleges and Universities				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Per Debt % of Amount Collected -
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Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
2	Debt collection services - Worker's Compensation				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Default Account % of Amount Collected -
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Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
3	Debt collection services - WV Department of Tax and Revenue				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - New Accounts % of Amount Collected -
------------------------	---

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
4	Debt collection services - WV Department of Tax and Revenue				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description :	Type of Account - Levy Account % of Amount Collected -
------------------------	---

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
5	Debt collection services - Div. of Environmental Protection				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description : Type of Account - Per Debt  
% of Amount Collected -

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
6	Debt collection services - Other Spending Units				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description : Type of Account - Per Debt  
% of Amount Collected -

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
7	Debt collection services - Rate of Second Placement				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description : Type of Account - Per Debt  
% of Amount Collected -

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
8	Debt collection services - Rate of Second Placement-Colleges				

Comm Code	Manufacturer	Specification	Model #
84101704			

Extended Description : Type of Account - Colleges  
% of Amount Collected -

*West Virginia Purchasing Division  
CRFQ 0212 SWC1500000006  
Debt Collection*

# ***PennCredit***

**916 S. 14th Street Harrisburg, PA17104**

**[www.penncredit.com](http://www.penncredit.com)**

**800.800.3328**

Penn Credit considers certain content in this proposal to be confidential and classified as a trade secret according to "Chapter 47/Regulation of Trade, Article 22/Uniform Trade Secrets Act" of the West Virginia Code and requests that information marked as CONFIDENTIAL be withheld from public inspection in accordance.

Respectfully submitted to:

**West Virginia Purchasing Division  
2019 Washington Street East  
Charleston, WV 25305-0130**

## 1. QUALIFICATIONS:

### Vendor shall have the following minimum qualifications:

1.1. The collection agency must be a full service agency and have the ability to handle several classifications of accounts, including educational, medical, and any other account assigned to it. A minimum of 22 state spending units have indicated to the Purchasing Division that they anticipate the utilization of collection services. Other State Agencies may elect to use the collection services provided by the successful bidders.

Established in 1987, Penn Credit is a collection industry leader, dedicated to recovering debts in both the public and private sector. Under the leadership of Donald C. Donagher, Jr. (CEO) and Richard S. Templin (President), Penn Credit has experienced consistent growth since its inception and has developed into one of the leading government collection vendors in the United States. Penn Credit specializes in debt collection solutions; and we pride ourselves on our efficient collection methods while maintaining a professional presence. **We have served as a vendor for the State since 2011.**

As a national organization, we utilize industry specific strategies and services, within the limits set forth by state, federal and the business rules of our clients, to deliver results that improve our clients' bottom line through accelerated cash flow, resolving cases, reducing bad debt expense and write-offs, as well as improving consumer service. Our ultimate success is attributed to the use of technology to improve the collection process and a strong commitment to service and client relations. Our proposed collection plan for the State includes the use of strategic letters and phone calls, our seasoned collection staff (including bilingual collectors), and our proprietary "waterfall" skip tracing methods.

Penn Credit's highly trained collection staff, qualified and experienced managers, and outstanding IT department will work in concert to provide the State with the highest yield returns, and we are prepared to work with the State in an effort to enhance the quality of your results and service. Penn Credit is constantly reviewing our technological processes to maximize ease of use for our clients. For example, we recently launched a new version of our client access portal, allowing the State staff to quickly obtain a variety of supplemental reports, such as payment analysis and client statistics summaries.

### **Management Plan**

Penn Credit will focus on the current and future needs and requirements of the State. We will customize a flexible work plan that will help us exceed State-specific objectives and goals. Penn Credit is a leader in the collection industry due to developing collection strategies for each individual client as follows:

- Developing a strategic collection policy to meet the State's goals
- Reviewing and understanding the State's policies and procedures
- Validating contract work expectations for state and federal compliance
- Evaluating trends and growth opportunities
- Accommodating future State requirements

To provide the best results for our clients, Penn Credit will utilize our expert resources. Our management team has helped develop and plan our collection strategies and training programs. Penn Credit will ensure your satisfaction as a client; and our cutting edge, in-house technology program will provide secure, safe access to customized reports and programs designed specifically for your use.

Through active participation with industry organizations, Penn Credit remains at the forefront of providing the latest collection products, technologies and customer support tools. Our successful relationships have been built over the years by remaining focused on the needs of our clients. Penn Credit maintains membership in ACA International, is PCI-DSS Compliant, is SSAE16 SOC1 Type II audited and maintains an A+ rating with the Better Business Bureau.

***What sets Penn Credit Apart from our Competitors:***

- More than 27 years experience collecting government debts, including 21 years collecting state tax debts
- **Current vendor for the State since 2011**
- Professional collection staff trained in government debt collections
- Experience interfacing with state government entities
- Long term collection relationships with our continued clients
- Collections and IT systems developed and maintained in-house
- Hands-on leadership participating in regular strategy reviews
- Established corporate structure ensures effective communications between Penn Credit and the State
- Experience subcontracting accounts to other collection vendors
- Regular meetings to evaluate:
  - Trends
  - Collection results
  - Program improvement based on joint review efforts and solutions
- Strict compliance with state and federal collection laws as well as IRS policies
- Smooth transition of accounts via proven implementation processes
- Uninterrupted, seamless transfer of business
- Call analytics through **CallMiner**



### Overview of Experience With State Government Debt

#### Commonwealth of Pennsylvania

##### *PA Department of Revenue*

Since 01/1993

##### *Collection of tax accounts include:*

- Individual Income Taxes
- Corporate Taxes
- Employer Withholding Taxes
- Sales Taxes
- Employer Withholding-Non-Filers
- Sales-Non-Filers
- Motor Carrier Taxes
- Inheritance Taxes

##### *PA Office of Attorney General*

Since 09/1995

##### *Collection of non-tax accounts include:*

- Bureau of Consumer Protection
- Bureau of Motor Vehicles
- Bureau of State Elections
- Bureau of State Parks
- Commonwealth Libraries
- Corporation Bureau
- Liquor Control Board
- Office of Probation and Parole
- Public School Retirement System

- Public Utility Commission
- State Board of Nursing
- State Employee Retirement System
- and the Departments of:*
- Agriculture
- Conservation & Natural Resources
- Community & Economic Development
- Education
- Environmental Protection
- Health
- Insurance
- Labor & Industry
- Military & Veterans Affairs
- Public Welfare
- Transportation
- Treasury

##### *PA Turnpike Commission*

Since 5/25/1998

##### *Collection of non-tax accounts include:*

- E-ZPass Insufficient Funds (2004)
- E-ZPass **Toll Violations** (2003)
- Damage to Turnpike Property (1998)

The Commonwealth of Pennsylvania contracted with Penn Credit in 1993 to recover delinquent accounts for the Department of Revenue. Beginning in 1995, through a contract with the Office of Attorney General, we received placements from the Department of Education, Department of Motor Vehicles, Public Utility Commission, and the Liquor Control Board.

Penn Credit has vigorously pursued balances in full through telephone contact, demand letters, and the use of the latest skip tracing techniques to find consumers. Our online access to the State's system has allowed us to obtain updated account and consumer information; and to date, we have collected over \$55 million for the PA Department of Revenue, the Office of Attorney General, and the Pennsylvania Turnpike Commission.

### State of New Jersey - Department of the Treasury

6/2007 to 03/2013

#### *Debt types include:*

- Bureau of Risk Management
- Casino Control Commission
- Division of Consumer Affairs
- Division of the Lottery
- Division of Risk Management
- Office of the Public Defender
- State Parole Board
- State Police Department
- Insurance Overpayments

#### *and the Departments of:*

- Banking & Insurance
- Community Affairs
- Corrections
- Environmental Protection
- Human Services
- Labor & Workforce Development
- Military & Veterans Affairs
- Transportation

We worked closely with the Department of Treasury from 2007 to early 2013 and communicated with their representatives on a daily basis. During the contract startup period, our IT staff worked extensively with the Department to implement IT procedures and programs in order to accommodate the required transmission of information and account files.

After our internal collection strategies, qualified accounts were referred to our local counsel for suit and garnishment proceedings. The contract included collecting debts for more than 15 departments, such as the Parole Board, the Public Defender's Office, Environmental Protection, Employment Commission, and the Department of Corrections. The contract also included the use of MBE and WBE collection agency subcontractors. Penn Credit successfully managed the secure interface with those vendors and oversaw their collection efforts for the State.

*"The State of New Jersey has found the company to be easy to work with, cooperative, willing to please their clients, and also competitive with their ability to utilize all collection avenues available to the industry."*

--Chris Besler, Assistant Chief  
New Jersey Division of Revenue  
contract term 2007-2013

### **State of West Virginia - State Tax Department**

Since 4/2011

#### *Debt types include:*

- Personal Income Tax
- Fiduciary Tax
- Corporate Income/Franchise Tax
- Lottery Collections

In 2011, Penn Credit was awarded a contract with the State of West Virginia to collect primary debts, including personal income tax, fiduciary tax, and corporate income/franchise tax. Penn Credit's IT staff worked with the State to streamline and automate reporting processes and to establish routine FTP account transfers/update files. Furthermore, representatives from Penn Credit's Client Relations Department hold regular conference calls and in-person meetings to review contract performance and compliance.

### **Overview of Experience With Medical Debt**

Penn Credit employs knowledgeable medical collectors; experienced in collecting hospital and healthcare accounts, these collectors ensure facilitated collections and increased cash flow for our clients. We also employ several former patient accounts managers, and their experience includes being President of a local AAHAM chapter as well as serving as a national AAHAM board member. These individuals are also responsible for training, staying current with healthcare changes.

For more than two decades, Penn Credit has been providing collection services for a range of healthcare clients. A sample listing includes:

#### *Hospitals*

- University of Penn Health System
- Geisinger Medical Center
- Susquehanna Health
- Cook County Health System

#### *Physicians Groups*

- Lehigh Valley Physicians Group
- Rowan University SOM
- University Medical Group
- Heritage Valley Health System
- Lehigh Valley Physicians Group

### Overview of Experience with Higher Education Debt

Penn Credit currently services several of our education clients through our Pennsylvania Office of the Attorney General contract:

Millersville University  
Slippery Rock University  
West Chester University  
Indiana University of PA

Bloomsburg University  
California University  
Cheyney University  
Clarion University

Edinboro University  
Kutztown University  
Lock Haven University  
Mansfield University

#### *Additional Educational Institutions include:*

- Indiana University (IN)
- **Johns Hopkins University (MD)**
- **Mt. St. Mary's University of Maryland**
- Houston Community College (TX) (recent award)

### Penn Credit maintains membership in:

- ACA International (American Collectors Association)
  - Donald C. Donagher Jr., Chairman/CEO of Penn Credit is a member of ACA's Committee of 100
- National Association of College and University Business Officers (NACUBO)
- Coalition of Higher Education Assistance Organization (COHEAO)
- Florida Association of Bursars and Student Accounting Administration (FABSAA)

#### *We attend annual conferences and actively participate with:*

- Professional Development Group (PDG) Bursars Conference
- Educational Accounts Receivable Management Group (EARMA)
- Texas Bursars for Universities and Colleges (TBUC\$)
- Texas Association of Community College Business Officers (TACCBO)
- New York State Organization of Bursars and Business Administrators (NYSOBBA)

## References

### **Delaware Division of Revenue**

**Sharon Ferrara**, *Tax Manager*

302-577-8610; sharon.ferrara@state.de.us

820 N. French St., 8th Floor

Wilmington, DE 19801

### **State of West Virginia**

**Karen Raines**, *Tax Unit Supervisor*

304-558-8755; karen.b.raines@wv.gov

PO Box 229

Charleston, WV 25321

### **New Jersey Division of Revenue**

**Chris Besler**, *Assistant Chief*

609-777-1020; chris.besler@trea.state.nj.us

33 West State St.

Trenton, NJ 08646

1.2. Out-of-State Collection Agencies: Out-of-state collection agencies without an office in the State of West Virginia are restricted to contacting residents of this State for the collection of debts by letters and telephone calls. Prior to award the successful bidder is required to designate to the Tax Commissioner a resident agent (name, address and phone number) upon whom notices, orders or other communications may be served and upon whom process may be served. West Virginia Secretary of State may be designated as the resident agent for service process pursuant to West Virginia State Code §56-3-33, attached as Exhibit B.

Penn Credit agrees. Prior to award, Penn Credit will designate to the Tax Commissioner a resident agent upon whom notices, orders or other communications may be served and upon whom process may be served.

Penn Credit is licensed to do business in all states that require licensing. In states where licensing is not required, we have obtained the proper certification and authorization to provide services. Penn Credit has the ability to – and does - conduct business in all 50 states, the District of Columbia, and Puerto Rico. Copies of individual state licenses and certificates are available upon request.

Please see Penn Credit's State availability table and our West Virginia certificate on the following pages.

Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Penn Credit agrees. Our Contract Manager will be available during normal business hours to address any customer service or other issues related to this Contract.

Contract Manager: Dale Brumbach, VP of Client Relations  
Telephone Number: 800-720-7293  
Fax Number: 717-238-0901  
Email Address: dale.brumbach@penncredit.com

State or Municipality	Requirement	State or Municipality	Requirement
Alabama	Certificate	Montana	Certificate
Alaska	License	Nebraska	License
Arizona	License	Nevada	License
Arkansas	License	New Hampshire	Certificate
California	Certificate	New Jersey	Certificate
Colorado	License	New Mexico	License
Connecticut	License	New York	Certificate
Delaware	License	North Carolina	License
District of Columbia	License	North Dakota	License
Florida	License	Ohio	Certificate
Georgia	License	Oklahoma	Certificate
Hawaii	License	Oregon	License
Idaho	License	Pennsylvania	Certificate
Illinois	License	Puerto Rico	License
Indiana	License	Rhode Island	License
Iowa	Certificate	South Carolina	Certificate
Kansas	Certificate	South Dakota	Certificate
Kentucky	Certificate	Tennessee	License
Louisiana	Certificate	Texas	Certificate
Maine	License	Utah	License
Maryland	License	Vermont	Certificate
Massachusetts	License	Virginia	Certificate
Michigan	License	Washington	License
Minnesota	License	West Virginia	License
Mississippi	Certificate	Wisconsin	Certificate
Missouri	Certificate	Wyoming	License

## State of West Virginia Certificate

*I, Joe Manchin III, Secretary of State of the  
State of West Virginia, hereby certify that*

**PENN CREDIT CORPORATION**

**Control Number: 70031**

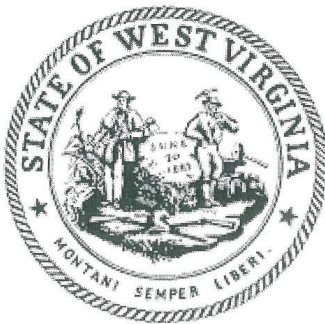
a corporation formed under the laws of Pennsylvania

has filed its "Application for Certificate of Authority" to transact business in West Virginia as required by the provisions of the West Virginia Code. I hereby declare the organization to be registered as a foreign corporation from its effective date of September 20, 2004

Therefore, I issue this

### **CERTIFICATE OF AUTHORITY**

to the corporation authorizing it to transact business in West Virginia



*Given under my hand and the  
Great Seal of the State of  
West Virginia on this day of  
September 20, 2004*

A handwritten signature in black ink, appearing to read "Joe Manchin III".

*Secretary of State*



**WEST VIRGINIA  
STATE TAX DEPARTMENT  
BUSINESS REGISTRATION  
CERTIFICATE**

ISSUED TO:  
**PENN CREDIT CORPORATION  
916 S 14TH ST  
HARRISBURG, PA 17104-3425**

BUSINESS REGISTRATION ACCOUNT NUMBER: **1014-4947**

This certificate is issued on: 07/15/2011

This business is licensed as a collection agency.

*This certificate is issued by  
the West Virginia State Tax Commissioner  
in accordance with Chapter 11, Article 12, of the West Virginia Code*

*The person or organization identified on this certificate is registered  
to conduct business in the State of West Virginia at the location above.*

This certificate is not transferrable and must be displayed at the location for which issued.  
This certificate shall be permanent until cessation of the business for which the certificate of registration  
was granted or until it is suspended, revoked or cancelled by the Tax Commissioner.

Change in name or change of location shall be considered a cessation of the business and a new  
certificate shall be required.

TRAVELING/STREET VENDORS: Must carry a copy of this certificate in every vehicle operated by them.  
CONTRACTORS, DRILLING OPERATORS, TIMBER/LOGGING OPERATIONS: Must have a copy of  
this certificate displayed at every job site within West Virginia.

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## 2. MANDATORY REQUIREMENTS:

4.1 Mandatory Contract Services Requirements and Deliverables: Contract Services must meet or exceed the mandatory requirements listed below.

4.1.1 Vendor must attempt to collect debts on behalf of the State of West Virginia and/or its spending units.

Penn Credit agrees and will attempt to collect debts on behalf of the State of West Virginia and/or its spending units.

4.1.2 The Department of Administration reserves the right to request an examination or audit of any or all records relating to matters covered by this contract. All records must be kept a minimum of six (6) years by the vendor.

Penn Credit agrees. The Department of Administration may request an examination or audit of any or all records relating to matters covered by this contract. Penn Credit will comply with all audit requests and keep all records for a minimum of six (6) years.

4.1.3 In accordance with national direct student loan guidelines, all fees charged against student loan accounts will apply only to the original principal and interest owed by the debtor, excluding any added collection costs.

Penn Credit agrees and is familiar with national direct student loan guidelines. Penn Credit understands that all fees charged against student loan accounts will apply only to the original principal and interest owed by the debtor, excluding any added collection costs.

4.1.4 Placements (Both Primary Placement and Secondary Placement)

4.1.4.1 The vendor(s) must have the ability to handle several account classifications of accounts separately, in order to provide the spending unit with information on the collection performance for each class of accounts.

Penn Credit has the ability to handle several account classifications of accounts separately, in order to provide the spending unit with information on the collection performance for each class of accounts.

4.1.4.2 By West Virginia State law, a spending unit must attempt to collect a claim for three (3) months before a claim can be placed with a collection agency.

Penn Credit understands that, by West Virginia State law, a spending unit must attempt to collect a claim for three (3) months before a claim can be placed with Penn Credit.

4.1.4.3 Upon Placement of an account with a collection agency, the spending unit will forward a letter of transmittal to the collection agency in its designated area. These transmittals will contain the following –

- 4.1.4.3.1 Type of Account and description of service
- 4.1.4.3.2 Name of whom the claim is made against
- 4.1.4.3.3 Address, including zip code
- 4.1.4.3.4 Balance Due
- 4.1.4.3.5 Date of Service or age of account
- 4.1.4.3.6 Telephone number (Optional)
- 4.1.4.3.7 Previous collection reports received on individual accounts when available
- 4.1.4.3.8 Any other information deemed important by the spending unit.

Penn Credit understands that, upon placement of an account with Penn Credit, the spending unit will forward a letter of transmittal to Penn Credit in its designated area. These transmittals will contain the following –

- 4.1.4.3.1 Type of Account and description of service
- 4.1.4.3.2 Name of whom the claim is made against
- 4.1.4.3.3 Address, including zip code
- 4.1.4.3.4 Balance Due
- 4.1.4.3.5 Date of Service or age of account
- 4.1.4.3.6 Telephone number (Optional)
- 4.1.4.3.7 Previous collection reports received on individual accounts when available
- 4.1.4.3.8 Any other information deemed important by the spending unit.

4.1.4.4 The collection agency will have a minimum of 180 calendar days to attempt to collect debts. Upon expiration of 180 calendar days, the collection agency will transfer all uncollected debts back to the originating spending unit. Collection agencies are not required to transfer accounts back to the spending unit on which payments are still being received at the end of the 180 day period or that are in dispute or nearing settlement, however all accounts not paid in full at the end of two (2) years, inclusive of the 180 day period, will be referred back to the originating spending unit unless exempted by the Secretary of Administration. When returning a claim, the collection agency must submit a completed litigation referral form.

Penn Credit agrees. We understand that we will have a minimum of 180 calendar days to attempt to collect debts. Upon expiration of 180 calendar days, Penn Credit will transfer all uncollected debts back to the originating spending unit. We understand that Penn Credit is not required to transfer accounts back to the spending unit on which payments are still being received at the end of the 180 day period or that are in dispute or nearing settlement, however all accounts not paid in full at the end of two (2) years, inclusive of the 180 day period, will be referred back to the originating spending unit unless exempted by the Secretary of Administration. When returning a claim, Penn Credit will submit a completed litigation referral form.

4.1.4.5 The vendor will implement collection procedures and attempt to achieve maximum recovery from debtors. These procedures will include at least 2 monthly telephone calls and 1 monthly letter. Procedures will also include direct mailing efforts and skip tracing procedures when the address is identified as undeliverable by the post office.

Penn Credit agrees and will implement collection procedures and attempt to achieve maximum recovery from debtors. These procedures will include at least 2 monthly telephone calls and 1 monthly letter. Procedures will also include direct mailing efforts and skip tracing procedures when the address is identified as undeliverable by the post office.

## **Introduction to Penn Credit's Workflow**

Penn Credit's collection workflow is defined by the evolving accounts receivable needs of our clients and refined by Penn Credit's years of dedicated expertise in the field of debt recovery. This synchronization of committed client service and industry know-how has resulted in an unparalleled collection program.

From account placement and verification, through the processes of skip tracing and consumer contact, to payment and remittance, Penn Credit's procedures have been tested, streamlined, and enhanced for the greatest results.

Upon award of contract, Penn Credit will begin project implementation, working with the State to configure a regular exchange of accounts and reports based upon the State's existing databases. A review of the file layouts in the RFP document has been completed and we do not foresee any issues. This process ensures that the resources expended by the State are minimized going forward. After implementation, Penn Credit is able to begin account activation and verification immediately upon the State's placement of accounts for collection.

### **Initial Account Placements**

Upon receipt of accounts, Penn Credit's collection system will generate an acknowledgment report to be sent to the State and begin to scrub all accounts for the following information:

- Standardization of name and address for postal regulation requirements
- Name and address are processed through National Change of Address (NCOA) and:
  - addresses are verified as correct, or
  - addresses are verified as incorrect, or
  - addresses are verified as incorrect and correct addresses are found
- Phone Append
- Bankruptcy and deceased scrub

If the account has a good address, the first letter is automatically generated and mailed to the consumer. This letter serves to inform the consumer of placement with Penn Credit and notification of the consumer's rights as outlined by federal and state laws. If the address provided with the account is incorrect or out-of-date, the account will enter Penn Credit's skip tracing process.

If the account has a good phone number, collectors will begin attempting to contact consumers multiple times per week during the hours deemed appropriate by federal and state laws. If the phone number provided with the account is incorrect or out-of-date, the account will enter Penn Credit's skip tracing process.

## **Assignment of Accounts**

In order to promote the greatest degree of efficiency among collectors, Penn Credit's collection system utilizes account routing parameters based on account classification and balance range. Management actively monitors the call lists for our automated dialing collectors and the work queues for our assigned account loop collectors on a regular basis, ensuring that the volume of accounts is not larger than appropriate. Collectors and supervisors work as a team, assisting one another with incoming calls and resolving disputes when required. This flexible and cooperative environment ensures that production levels are being met and customer service levels are being exceeded.

## **Collection Tools and Resources**

Penn Credit has four calling strategies at our disposal: a proprietary automated calling/payment system, a predictive dialing platform, a "Confirmed Party Contact" system, and our loop collection protocol.

### *Predictive Dialing Platform*

This predictive dialing platform predicts the availability of the collector's next call—and adjusts dialing volumes accordingly—so that the answering party is immediately transferred to an available collector. This method ensures the party is unaware that he/she has been on an automated call and is more willing to begin discussions with the collector. This system allows one (1) collector to contact up to 35 consumers an hour, effectively and efficiently increasing Penn Credit's "collector to consumer" ratio.

### *D.A.V.I.S. (Digitized Automated Voice Intelligence System)*

This system utilizes Interactive Voice Response (IVR) technology and makes calls from 9:00 a.m. to 9:00 p.m. in the time zone where the consumer resides. Upon contact consumers are provided with their account information and available payment options. While using the D.A.V.I.S. system, any consumer has the ability to speak to a live collector at any time by following the instructions built into the system; further, D.A.V.I.S. is capable of providing consumer interaction in both Spanish and English to aid bi-lingual collection needs.

### *Confirmed Party Contact*

Our Confirmed Party Contact system builds upon the aforementioned technologies (primarily, the D.A.V.I.S. system) by prompting a qualification question which allows us to verify that the individual who answers the call is the consumer. The call is then immediately transferred to an available collector, allowing our collection team to communicate directly with the "Confirmed Party."

## *Loop Collection Protocol*

This collection practice assigns ownership of accounts to individual collectors, making these collectors responsible for the collection of the account. The collector to whom the account is assigned performs the majority of collection activity on the account; and if additional skip tracing beyond our waterfall process is required, the collector has access to several online resources to acquire new contact data. This loop method creates a relationship between the collector and consumer, promoting a more cooperative series of exchanges and increasing the likelihood of repayment. To further the efficacy of the loop collection protocol, a direct toll free number is included on all letters sent to the consumer.

Loop collectors notate in the collection system what has been accomplished after working an account, they also have the ability to tag a specific priority based on the outcome. This process drives Penn Credit's organization of the work schedule, for example:

Payment Arrangement Established: the account is tagged as a payment plan priority and is grouped with other payment plan accounts for monitoring through payment in full by the collector. Should a payment plan be broken, the collector will be alerted by the collection system and immediate follow up will occur.

Follow Up Appointment: the account is tagged as a priority for the collector to follow up at a specific date and time. The collector will be alerted to any follow-up appointment by a system generated notification.

Difficult to Reach: the account is tagged as a difficult to reach priority if the collector has determined that they are calling the best possible phone number available, however they have not obtained consumer contact. These accounts will receive calls at varied times by the loop collector and automated dialing collectors will also be used.

Skip Tracing: the account is tagged as a skip tracing priority when additional contact information is needed to reach the consumer. To maximize consumer contact, the collector will perform the majority of skip tracing during non-peak hours.

While the loop method is highly successful, other calling strategies are used concurrently to work these accounts, complementing the loop collection system.



## Results

Together, our automated dialing systems can generate 1,000 calls per minute and more than 700,000 attempts per day utilizing 500 phone lines. All “busy signal” calls are redialed every fifteen minutes, and “no answer” calls are redialed every two hours up to the time allowed by the Federal and State regulations. Repeat calls are made every three (3) days after contact with no account conclusion. Management also staggers call times throughout the day and rotates dialing platforms to optimize high consumer contact.

## Skip Tracing

Successful skip tracing is an essential part of Penn Credit’s collection strategy; therefore, we subscribe to a wide range of skip tracing products and national databases (Lexis/Nexis, CBC Innovis, and TransUnion). After the initial placement, accounts are “scrubbed” for address verification (NCOA), phone append, deceased and bankruptcy verification. Once the account information is confirmed, the collection process begins; however, if at any time the contact information is determined to be incomplete or incorrect, the account will be placed in our automated “Waterfall” skip tracing process.

Each step in this “Waterfall” process utilizes a new skip tracing product, rotated weekly. The steps and information provided are progressively more intensive and detailed than the previous. The account will proceed from step to step until the appropriate information is obtained and successful contact is made with the consumer. Penn Credit’s waterfall skip tracing process may be utilized at any point during the collection process, ensuring that Penn Credit maintains contact with consumers until the amount owed the client has been recovered.

Furthermore, our assigned account Loop collectors are provided access to several internet based skip tracing resources at their work stations, enabling them to perform individual skip tracing.

*TLOxps®* This is an on line skip-tracing tool that collectors will use in attempting to locate a skipped consumer. This tool provides credit bureau “header” information from TransUnion, social security verification, address verification, phone number verification, reverse look-up, same names, and same addresses if under a different name. The collector will work all leads to conclusion.

*Asset Verification:* The collector will attempt to verify and locate as many assets as possible in the course of using all available skip-tracing tools. If liquid assets are located (place of employment in wage attachment state, ownership of property, checking and/or savings account, ownership of cars, boats, slips and stocks), we will forward a suit/garnishment request form to the State with all asset/employment information attached.



**Motor Vehicle Records:** In those states where permitted, the collector will contact the DMV for the most current address the consumer has his/her license registered. The collector will follow all leads to conclusion.

**Criminal Records:** If the collector has knowledge of a consumer's criminal record, they may contact the state to obtain location information. In doing so, the collector will try to locate the consumer's probation officer. The collector is trained in obtaining location information as outlined by the FDCPA.

**License Records:** These records contain multiple types of licensing and public information the collector may use to locate the consumer. If the collector knows that the consumer is a professional who requires a license to practice, the collector may call the state authority of that organization. If the consumer is a current member, the organization will have record of where they are practicing.

**Voter Records / Registration:** In most states, a person cannot register to vote at a mail box; the person must provide a physical street address. In most cases, voter registration is public information and this record will provide the collector with a physical street address registered under the consumer's name.

**Tax Assessment:** The Tax Assessors Office will provide ownership of property by name, parcel number and address. It will also provide what address the taxes are sent to. The collector will follow all leads until conclusion.

**State Corporation Information:** This skip tracing tool is at the state level and will list if the corporation is listed as a domestic or foreign corporation, Attorney of Incorporation, Officers, and address for service. The collector will use this tool in working business and corporate accounts.

**Nationwide DMV Access:** Penn Credit has access to DMV data for all 50 US states and the District of Columbia.

## Contacting Consumers by Telephone

Penn Credit's contact with consumers via telephone is essential to Penn Credit's successful recovery process. Our calling platforms combine the speed and efficiency of automated calling with compliance for state and federal law. While incoming calls are instantly transferred to available collectors, the calling system also guarantees that all outbound calls are within guidelines established by federal and state law, ensuring that no phone calls are made before or after approved hours.

Penn Credit's telephone systems also have numerous quality assurance mechanisms: 1) management has the ability to monitor collection calls by listening to, participating in, and even taking over of the call when necessary; 2) a call/screen shot recording system records every phone call and collector computer screen for archival and quality control purposes; and 3) multi-lingual capabilities, the D.A.V.I.S. system allows the user to interact in English and Spanish; further, collectors can easily transfer a call to a collector who speaks the appropriate language.

While the main purpose of consumer contact is to collect a debt, Penn Credit also takes each consumer contact as an opportunity to maintain the relationship the consumer has with the State. Penn Credit's collectors are trained not only to obtain payment-in-full in every possible scenario, but also to prevent disputes, escalations, and complaints. It is in the best interest of all parties that each attempt at recovery is polite, patient, and proactive—imbuing a potentially unpleasant situation with a more productive agenda and empathetic tone.

## Hours of Contact

Penn Credit's collection department's operating hours are listed below. Our extended hours of operation allow us to maximize collections in all time zones.

<b>Day</b>	<b>Start</b>	<b>Collectors End</b>	<b>Dialer Ends</b>
<b>Monday</b>	8:00 A.M.	10:00 P.M. EST	11:59 P.M. EST
<b>Tuesday</b>	8:00 A.M.	10:00 P.M. EST	11:59 P.M. EST
<b>Wednesday</b>	8:00 A.M.	10:00 P.M. EST	11:59 P.M. EST
<b>Thursday</b>	8:00 A.M.	10:00 P.M. EST	11:59 P.M. EST
<b>Friday</b>	8:00 A.M.	5:00 P.M. EST	11:59 P.M. EST
<b>Saturday</b>	8:00 A.M.	12:00 P.M. EST	11:59 P.M. EST
<b>Sunday</b>	1:30 P.M.	No live collectors	11:59 P.M. EST

In accordance with the Federal Fair Debt Collection Practices Act (F.D.C.P.A), outbound calls are only made between 8AM and 9PM in the time zone where the consumer resides.

## **Contacting Consumers by Mail**

While collection letters are not the only focus of our collection process, letters are designed in a specified sequence, at specified times, and according to specific circumstances, generating the most meaningful communication with the consumer. A collection contact followed by a meaningful, well-timed letter offers a better collection impact than a stand-alone collection notice.

Our letter series includes the initial validation notice and progressively more demanding follow-up letters. The initial demand letter has three main purposes:

- To advise the consumer that the account has been assigned to Penn Credit
- To provide notice of the consumer's rights established by the FDCPA and applicable state laws
- To prompt payment

Accounts with active payment plans will receive monthly letters and those with a post-dated check plan receive a reminder notice a set number of days before the process date. Penn Credit will obtain State approval of all collection letters prior to their use and we will obtain the State's written approval before making any changes to collection letters sent out to consumers. We have the capability of sending double-sided letters in English and Spanish.

Please see sample collection letters on the following pages.

# PennCredit

Service • Integrity • Results

## PennCredit

Hours: Mon-Thur 8am-10pm EST  
Fri 8am-5pm EST  
Sat 8am-12pm EST  
Phone: 800-900-1382

### NOTICE OF COLLECTION

MM/DD/YYYY

CLIENT: [Client Name]  
ID NUMBER: [Account Number]  
TOTAL BALANCE DUE: [\$###.##]



Our client has referred your delinquent account(s) referenced below for collection. Our client is serious about collecting all monies owed them and I am sure your intentions are to honor your debt. Send payment using the enclosed envelope or you may go online to <http://account.penncredit.com> make payment or contact our office to pay over the phone. Contact our office if you are unable to pay the amount due.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that you dispute the validity of this debt or any portion thereof, this office will obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request this office in writing within 30 days after receiving this notice this office will provide you with the name and address of the original creditor, if different from the current creditor.

This is an attempt to collect a debt by a debt collector and any information obtained will be used for that purpose. The important rights included above apply to each account individually and you have the right to dispute any or all of the accounts included in this notice. In the event you choose to exercise your important rights included above please indicate which account(s) you are disputing.

SERVICE RENDERED	SERVICE DATE	ACCOUNT NUMBER	BALANCE
	MM/DD/YYYY	[Account Number]	[\$###.##]



DETACH AND RETURN WITH PAYMENT TO EXPEDITE CREDIT TO YOUR ACCOUNT

P.O. Box 1259, Department 91047  
Oaks, PA 17456  
CHANGE SERVICE REQUESTED



IF PAYING BY VISA, MASTERCARD OR DISCOVER, FILL OUT BELOW	
<input type="checkbox"/> VISA	<input type="checkbox"/> MASTERCARD
CARD NUMBER	EXP. DATE
SIGNATURE	AMOUNT

Visit <http://account.penncredit.com> to pay your bill online.

Payments received by check will be electronically deposited, unless you pay by non-consumer type check. You may opt out of this program by paying with a money order or a travelers check. In the unlikely event your check (payment) is returned unpaid, we may elect to electronically (or by paper draft) re-present your check (payment) up to two more times. You also understand and agree that we may collect a return processing charge by the same means, in an amount not to exceed that as permitted by state law.

91203 - 1

#BWNJHBY  
#9042727300351540#

[Debtor Name]  
[Address Line One]  
[Address Line Two]



ID NUMBER: C0206277

PENN CREDIT  
916 S 14th ST  
PO BOX 988  
HARRISBURG PA 17108-0988

91203-NEW-1

## PennCredit

Hours: Mon-Thur 8am-10pm EST  
Fri 8am-5pm EST  
Sat 8am-12pm EST  
Phone: 800-900-1381

MM/DD/YYYY

CLIENT: [Client Name]  
ID NUMBER: [Account Number]  
TOTAL BALANCE DUE: [\$###.##]



### REQUEST FOR PAYMENT

Failure to contact our office leads us to believe that you do not have intentions of resolving your just debt.

If you are unable to pay in full, settlements and/or payment arrangements may be available. We will do our best to work with you.

Please contact our office today, or go online to [account.penncredit.com](http://account.penncredit.com) or send payment in full in the enclosed envelope.

This letter is from a debt collection agency. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

SERVICE RENDERED	SERVICE DATE	ACCOUNT NUMBER	BALANCE
	MM/DD/YYYY	[Account Number]	[\$###.##]



DETACH AND RETURN WITH PAYMENT TO EXPEDITE CREDIT TO YOUR ACCOUNT

P.O. Box 1259, Department 91047  
Oaks, PA 17456

CHANGE SERVICE REQUESTED



IF PAYING BY VISA, MASTERCARD OR DISCOVER, FILL OUT BELOW	
<input type="checkbox"/> VISA	<input type="checkbox"/> MASTERCARD
CARD NUMBER	EXP. DATE
SIGNATURE	AMOUNT

Visit <http://account.penncredit.com> to pay your bill online.

Payments received by check will be electronically deposited, unless you pay by non-consumer type check. You may opt out of this program by paying with a money order or a travelers check. In the unlikely event your check (payment) is returned unpaid, we may elect to electronically (or by paper draft) re-present your check (payment) up to two more times. You also understand and agree that we may collect a return processing charge by the same means, in an amount not to exceed that as permitted by state law.

ID NUMBER: C0461002

#BWNJHBY  
#9042702420717870#

[Debtor Name]  
[Address Line One]  
[Address Line Two]



91203 - 2213

PENN CREDIT  
916 S 14th ST  
PO BOX 988  
HARRISBURG PA 17108-0988



91203-AD2PC-2213

# PennCredit

Service • Integrity • Results

## PennCredit

Hours: Mon-Thur 8am-10pm EST  
Fri 8am-5pm EST  
Sat 8am-12pm EST  
Phone: 800-900-1368

MM/DD/YYYY

CLIENT: [Client Name]  
ID NUMBER: [Account Number]  
TOTAL BALANCE DUE: [####.##]



### PROMISE TO PAY

Please pay as promised. If you pay as agreed, there will be no need to contact you again regarding this matter.

This letter is from a debt collection agency. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

SERVICE RENDERED

SERVICE DATE	ACCOUNT NUMBER	BALANCE
MM/DD/YYYY	[Account Number]	[####.##]



DETACH AND RETURN WITH PAYMENT TO EXPEDITE CREDIT TO YOUR ACCOUNT

P.O. Box 1259, Department 91047  
Oaks, PA 19456

CHANGE SERVICE REQUESTED



IF PAYING BY VISA, MASTERCARD OR DISCOVER, FILL OUT BELOW	
<input type="checkbox"/> VISA	<input type="checkbox"/> MASTERCARD
<input type="checkbox"/> DISCOVER	
CARD NUMBER	EXP. DATE
SIGNATURE	AMOUNT

Visit <http://account.penncredit.com> to pay your bill online.

Payments received by check will be electronically deposited, unless you pay by non-consumer type check. You may opt out of this program by paying with a money order or a travelers check. In the unlikely event your check (payment) is returned unpaid, we may elect to electronically (or by paper draft) re-present your check (payment) up to two more times. You also understand and agree that we may collect a return processing charge by the same means, in an amount not to exceed that as permitted by state law.

91203 - 95

#BWNJHBY  
#9042732612996529#

[Debtor Name]  
[Address Line One]  
[Address Line Two]



ID NUMBER: C9860674

PENN CREDIT  
916 S 14th ST  
PO BOX 988  
HARRISBURG PA 17108-0988

91203-CPPPC-95

## PennCredit

Hours: Mon-Thur 8am-10pm EST  
Fri 8am-5pm EST  
Sat 8am-12pm EST  
Phone: 800-900-1368

MM/DD/YYYY

CLIENT: [Client Name]  
ID NUMBER: [Account Number]  
TOTAL BALANCE DUE: [\$###.##]



### BROKEN PROMISE

You have not made your payment as promised. It is important that you either make payment or contact our office today.

This letter is from a debt collection agency. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

SERVICE RENDERED	SERVICE DATE	ACCOUNT NUMBER	BALANCE
	MM/DD/YYYY	[Account Number]	[\$###.##]



DETACH AND RETURN WITH PAYMENT TO EXPEDITE CREDIT TO YOUR ACCOUNT

P.O. Box 1259, Department 91047  
Oaks, PA 19456  
CHANGE SERVICE REQUESTED



IF PAYING BY VISA, MASTERCARD OR DISCOVER, FILL OUT BELOW	
<input type="checkbox"/> VISA	<input type="checkbox"/> MASTERCARD
<input type="checkbox"/> DISCOVER	
CARD NUMBER	EXP. DATE
SIGNATURE	AMOUNT

Visit <http://account.penncredit.com> to pay your bill online.

Payments received by check will be electronically deposited, unless you pay by non-consumer type check. You may opt out of this program by paying with a money order or a travelers check. In the unlikely event your check (payment) is returned unpaid, we may elect to electronically (or by paper draft) re-present your check (payment) up to two more times. You also understand and agree that we may collect a return processing charge by the same means, in an amount not to exceed that as permitted by state law.

91203 - 94

#BWNJHBY  
#9042732612990084#

[Debtor Name]  
[Address Line One]  
[Address Line Two]



ID NUMBER: C0314108

PENN CREDIT  
916 S 14th ST  
PO BOX 988  
HARRISBURG PA 17108-0988

91203-CBPPA-94

## PennCredit

Hours: Mon-Thur 8am-10pm EST  
Fri 8am-5pm EST  
Sat 8am-12pm EST  
Phone: 800-900-1362

MM/DD/YYYY

CLIENT: [Client Name]  
ID NUMBER: [Account Number]  
TOTAL BALANCE DUE: [\$###.##]



### STATEMENT OF YOUR ACCOUNT(S)

Please continue to make your monthly payments. If you wish to automate your payments please contact our office or go online at [account.penncredit.com](http://account.penncredit.com).

This letter is from a debt collection agency. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

SERVICE RENDERED	SERVICE DATE MM/DD/YYYY	ACCOUNT NUMBER [Account Number]	BALANCE [\$###.##]
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DETACH AND RETURN WITH PAYMENT TO EXPEDITE CREDIT TO YOUR ACCOUNT

P.O. Box 1259, Department 91047  
Oaks, PA 19456  
CHANGE SERVICE REQUESTED



IF PAYING BY VISA, MASTERCARD OR DISCOVER, FILL OUT BELOW	
<input type="checkbox"/> VISA	<input type="checkbox"/> MASTERCARD
<input type="checkbox"/> DISCOVER	
CARD NUMBER	EXP. DATE
SIGNATURE	AMOUNT

Visit <http://account.penncredit.com> to pay your bill online.

Payments received by check will be electronically deposited, unless you pay by non-consumer type check. You may opt out of this program by paying with a money order or a travelers check. In the unlikely event your check (payment) is returned unpaid, we may elect to electronically (or by paper draft) re-present your check (payment) up to two more times. You also understand and agree that we may collect a return processing charge by the same means, in an amount not to exceed that as permitted by state law.

ID NUMBER: E0358372

#BWNJHBY  
#9042704924118282#  
[Debtor Name]  
[Address Line One]  
[Address Line Two]



PENN CREDIT  
916 S 14th ST  
PO BOX 988  
HARRISBURG PA 17108-0988

91203-STMPC-2



## PennCredit

Horario: Lunes a Jueves, de 8 a.m. a 10 p.m.  
Viernes, de 8 a.m. a 5 p.m.  
Sábado, de 8 a.m. a 12 p.m.  
800-900-1380

### NOTIFICACIÓN DE COLECCIÓN

MM/DD/YYYY

CLIENTE:  
Nº DE CUENTA:  
CANTIDAD QUE ADEUDA:



Nuestro cliente ha remitido su(s) cuenta(s) en mora, de referencia a continuación, para cobro. Nuestro cliente considera muy seriamente el cobro de dinero que se le adeuda y yo estoy seguro de que usted tiene la intención de honrar su deuda. Envíe el pago utilizando el sobre adjunto o también puede realizar el pago en línea a <http://account.penncredit.com>, o comunicarse con nuestra oficina para pagar por teléfono. Comuníquese con nuestra oficina si no puede pagar la cantidad adeudada.

A menos que envíe una notificación a esta oficina dentro de los 30 días después de recibir esta notificación, cuestionando la validez de esta deuda o una parte de la misma, esta oficina considerará que esta deuda es válida. Si notifica a esta oficina por escrito dentro de los 30 días luego de recibida esta notificación, esta oficina obtendrá la verificación de la deuda o una copia de un fallo, y le enviará por correo una copia de ese fallo o verificación. Si usted realiza una solicitud por escrito a esta oficina dentro de los 30 días luego de recibida esta notificación, esta oficina le proporcionará el nombre y la dirección del acreedor original, si fuese distinto del acreedor actual.

Esto es un intento de cobrar una deuda por parte de un cobrador de deudas y cualquier información obtenida se utilizará para ese fin. Los derechos importantes arriba incluidos se aplican a cada cuenta de manera individual y usted tiene el derecho de cuestionar cualquiera o todas las cuentas incluidas en esta notificación. En caso de que opte por ejercer sus derechos importantes arriba incluidos, indique qué cuenta(s) cuestiona.

SERVICIO PROPORCIONADO:	FECHA DEL SERVICIO	Nº DE CUENTA	CANTIDAD QUE ADEUDA
-------------------------	--------------------	--------------	---------------------



Separar y volver con el pago para acelerar el crédito a su cuenta

P.O. Box 1259, Department 91047  
Oaks, PA 17945

CHANGE SERVICE REQUESTED



SI VA A PAGAR USANDO: MASTERCARD, DISCOVER, O VISA, FAVOR LLENAR EL ESPACIO DEBAJO

<input type="checkbox"/> VISA	<input type="checkbox"/> MASTERCARD	<input type="checkbox"/> DISCOVER
Número de Tarjeta		Fecha de Vencimiento
Firma		Cantidad

Pague en línea con tarjeta de crédito en <http://account.penncredit.com>.

Los pagos recibidos por cheque serán depositados electrónicamente, a menos que usted paga por cheque de tipo no consumidor. Usted puede excluirse de este programa mediante pagar por un giro postal o un cheque de viajero. En el caso improbable de que se le devuelva el cheque (pago), podemos optar por vía electrónica (o por documento papel) volver a presentar su cheque (pago) hasta dos veces más. Usted también entiende y acepta que podemos cobrar un cargo de procesamiento de devolución por el mismo medio, en una cantidad que no exceda lo que está permitido por la ley estatal.

91203 - 1

#BWNJHBY  
#9042727300351540#  
[Debtor Name]  
[Address Line One]  
[Address Line Two]



ID NUMBER: C0206277

PENN CREDIT  
916 S 14th ST  
PO BOX 988  
HARRISBURG PA 17108-0988



91203-NEW-1

## Collection Timeline

### Initial Collection Attempts

- Accounts are electronically transferred into an automated process and ‘scrubbed’ for the following:
  - Standardization of name and address for postal regulation requirements
  - Name and address are processed through National Change of Address (NCOA)
  - Phone Append
  - Bankruptcy and deceased scrub
- Validation notices are automatically sent for accounts with good addresses
- All accounts (regardless of balance) receive call attempts by our automated dialing platforms:
  - Predictive Dialing
  - Confirmed Party Contact
  - D.A.V.I.S (IVR)
- These platforms will make 1-35 attempts per month, depending on call outcome
- Larger balance accounts are also assigned to and receive calls by a dedicated loop collector
- If a message is left, follow-up will occur in 3-4 days depending on state law
- Upon contact with the customer, if payment in full or a satisfactory payment plan is not possible, follow-up calls will be made every 3-4 days
- If contact is unsuccessful, attempts will be made to reach the customer at varying times throughout the day
- Accounts with invalid phone numbers/addresses will be placed in our automated “Waterfall” skip tracing process utilizing multiple nationwide databases
- Loop collectors perform additional skip tracing on their accounts through web-based resources to locate current customer contact information

### Continued Attempts

- Repeated attempts and additional resources are utilized to obtain payment in full or setup a State-approved payment schedule
  - Additional letters sent at day 45
  - Collectors may begin calling the customer’s place of employment if unable to make contact at the customer’s residence
  - Expanded skip tracing efforts; accounts with invalid phone numbers will be placed in our automated “Waterfall” skip tracing process utilizing multiple nationwide databases weekly
  - Automated dialing platforms and loop collectors continue calls every 3-4 days
- Reminder letters are sent monthly for accounts with established mail-in payment arrangements and for post-dated check/credit card notifications
- Qualified accounts are referred to national credit bureaus



**PENN CREDIT'S HARRISBURG HEADQUARTERS**

#### Ongoing Efforts

- Accounts will remain active on Penn Credit's system and will receive phone attempts and additional letters as new contact information becomes available through our skip tracing processes
- Settlement offers may be made if payment in full is not possible (in accordance with the State's policies and approval)
- Regular exchange of placement and update files occur between Penn Credit and the State according to State requirements
- All funds collected by Penn Credit are remitted on a schedule determined by the State
- Regular meetings occur between Penn Credit and the State to ensure open lines of communication and project success

## Quality Assurance

Quality management at all of Penn Credit's call centers is ensured by the use of a centralized and integrated call recording system located at our corporate headquarters. This system consolidates a wide range of functions into one seamless, user friendly, web-based experience. This system permits our collection, client service, training, and management personnel unparalleled access to all consumer interactions. All interactions with our collectors are recorded individually and relevant call data and account information associated with those conversations are correlated and tagged to those recordings. In addition to audio, the screen shots during the collector's calls are recorded to allow supervisors and management staff to effectively monitor during and/or re-create after exactly what happens on every call.

A Total Quality Management (TQM) application is built into this system enabling our staff to evaluate and score collectors as they work live calls or by reviewing select calls historically. Training and floor supervisors are able to easily counsel collectors on their performance by allowing them to see and hear their conversations with consumers. As a result, they are able to learn from their successes, as well as identify any potential areas of needed improvement.

Account lookup is also very simple. A call can be retrieved either by account number, phone number, or client name. Calls are kept for a minimum of one year in our secure and temperature controlled data center; this center is also flood and fire protected.

Additionally, Penn Credit recently deployed a product from **CallMiner** that offers full analysis of every consumer interaction. All calls are electronically mined and scored against a variety of compliance and quality assurance metrics. This is performed post call, however the system will also be able to monitor consumer interactions in real-time allowing contact center managers to be notified of calls potentially requiring their attention prior to a calls conclusion



## **Audit Trails and Key Performance Indicators (KPI)**

In addition to Penn Credit's TQM application, Penn Credit's collection system tracks all aspects of the collection process, creating audit trails and tracking a range of KPIs, which include but are not limited to the following:

- Payments
- Adjustments
- Collector comments
- Notices sent
- Average talk time
- Call volumes
- Outbound contact rates
- Skip Tracing Performed
- Account Status
- Payment plans and agreements

## **Personnel Actions**

Collection supervisors are responsible for monitoring and tracking the daily activity in the following areas to ensure collection standards are obtained:

- Account Workflow: Payment plans, broken promises, skip tracing and follow up
- Number of accounts worked, phone contacts and minutes on the phone
- Compliance with company policies, the F.D.C.P.A. and other applicable laws/statutes

## **Overview of KPI Reports and Tracking**

Penn Credit's collection system generates a number of KPI reports that allow our supervisors and managers to monitor collection activity in order to obtain maximum recoveries.

- IAT/CT Center Dashboard: Provides real-time view of call center environment including number of agents logged-in, their call status, talk time, hold times, answer percentages, and other metrics related to the predictive dialer.
- Collection Activity Report: Provides a detail of how many accounts were worked by each active collector, and then by how many promises to pay/payment arrangements were established, how many accounts were closed or transferred to legal, and how many letters were requested by the consumer during contact.
- Phone Report: Provides a record of the total amount of calls on an incoming and outgoing basis and the total amount of time on the phone.
- Collector Work Totals: Provides a record of totals for the amount of work each collector does in their loop by priority.
- Urgency Report: Details number of credit card and direct check payments taken by the collection staff.

#### 4.1.5 Payments and Reporting

4.1.5.1 The collection agency will forward all payments collected during any month by the 15th day of the following month to the originating spending unit accompanied by the report specified below. The collection effort will continue until an account is paid in full, except as otherwise restricted, until the spending unit desires collection efforts to be terminated, or until the 180 period has lapsed.

Penn Credit agrees and will forward all payments collected during any month by the 15th day of the following month to the originating spending unit accompanied by the report specified below. The collection effort will continue until an account is paid in full, except as otherwise restricted, until the spending unit desires collection efforts to be terminated, or until the 180 period has lapsed.

4.1.5.2 The collection agency must send a completed report to the spending unit on or before the 15th of every month for the preceding month, whether or not any payments were received.

Penn Credit agrees and will send a completed report to the spending unit on or before the 15th of every month for the preceding month, whether or not any payments were received.

4.1.5.3 The following information must be included in each report by debtor in alphabetical order, by debtors surname:

4.1.5.3.1 Debtor's name(s) and social security number(s) or other identification number(s) as agreed upon by the spending unit and collection agency.

4.1.5.3.2 Placement date of accounts

4.1.5.3.3 Beginning amount to collect, additional amount authorized for collection, amounts previously collected, amounts collected for current month, total collections to date, and balance owed.

4.1.5.3.4 Amount(s) forwarded to spending unit and balance due to spending unit.

4.1.5.3.5 Fees assessed, amount collected and balance due

4.1.5.3.6 Reason for returned or closed accounts (if applicable)

4.1.5.3.7 Remarks

4.1.5.3.8 Percent of dollar amounts collected to date

4.1.5.3.9 All collection agencies shall have the capacity to add accrued interest to applicable accounts on a monthly basis, this shall be included in the report

Penn Credit agrees to all State reporting requirements. Penn Credit's collection system (FUSION) maintains a statistical database of performance figures and will comply with any reporting requirements the State may have. With a very flexible range of reporting options, Penn Credit has the ability to comply with any reporting requirements, both for internal monitoring and forecasting. Reports can be sent via email, hard copy, or placed on an FTP site for pickup. Formats include ASCII, Microsoft Word, Excel, and Adobe PDF, or other formats as needed.

Typically, reporting to our clients includes the Acknowledgment (either concise or detailed version), Payment Analysis, Spindown, Statement of Collection, and Cancellation reports.

*Acknowledgment Report* serves as a receipt verifying all accounts placed have been received by Penn Credit. Options include a concise version or a detailed version.

*Payment Analysis* provides information relating to collection performance, broken down by month of placement. This report illustrates recovery performance and allows the State to forecast future recoveries.

*Spindown Analysis* provides a 12-month record of liquidation rates per month.

*Statement of Collection* details accounts to which payments have been applied during the statement period. This report indicates not only amounts paid by debtors, but also commissions due Penn Credit for collection services rendered, thus serving as an invoice for the State.

*Cancellation Report* lists all accounts scheduled for return, along with the client account number, debtor name, balance, applicable dates, and reason for return.

***Sample reports appear on the following pages.***



From: EReports@penncredit.com  
To: Client's Email Address  
Subject: P8888 - New Business Acknowledgement from Penn Credit

Penn Credit Corporation  
New Business Acknowledgement Summary

**\*\* Acknowledgement with thanks \*\***

This assignment is accepted under our usual terms and conditions that we have with you. Please notify this agency without delay of any payment made to you by the debtor or any contact that the debtor has with you.

Report Date: MM/DD/YYYY  
Client #: P8888  
Client Name: Water Company  
# of Accounts: ###,###  
Total Dollars: \$\$\$\$\$\$

## Penn Credit Corporation New Business Acknowledgement Report

**Report Date: MM/DD/YYYY**  
**Created for: \*Client Name\***

This assignment is accepted under our usual terms and conditions that we have with you. Please notify this agency without delay of any payment made to you by the debtor or any contact that the

Account #	Name	Address	City,State,Zip	Placed Date	Service Date	Balance
#####	Smith, John	123 Walnut Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$1,500.00
#####	Smith, Jane	123 Main Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$500.00
#####	Smith, John	165 Elm Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$650.00
#####	Smith, Jane	124 Chestnut Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$750.00
#####	Smith, John	124 Walnut Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$625.00
#####	Smith, Jane	124 Main Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$435.00
#####	Smith, John	170 Elm Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$498.00
#####	Smith, Jane	130 Chestnut Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$1,275.00
#####	Smith, John	135 Walnut Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$1,450.00
#####	Smith, Jane	128 Main Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$650.00
#####	Smith, John	167 Elm Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$975.00
#####	Smith, Jane	145 Chestnut Street	Anytown, USA 11111	MM/DD/YYYY	MM/DD/YYYY	\$1,950.00



## Penn Credit Corporation - Payment Analysis Report

Report Date: MM/DD/YYYY

[Name of Client Here]

Mth/Yr	# Referred	\$ Referred	Placement Collections	Monthly Collections	Total Adjustments	Cancellations	\$ Collectable	LIQ%	Active Dollars
MM/YYYY	1,773	\$405,611.56	\$222,410.14	\$153,933.16	\$14,280.64	\$0.00	\$391,330.92	56.83%	\$168,920.78
MM/YYYY	1,436	\$351,838.59	\$192,005.19	\$382,101.94	\$9,122.57	\$0.00	\$342,716.02	56.02%	\$150,710.83
MM/YYYY	1,372	\$326,792.45	\$162,804.84	\$188,493.77	\$7,063.90	\$0.00	\$319,728.55	50.92%	\$156,923.71
MM/YYYY	1,238	\$347,741.92	\$149,640.01	\$122,678.69	\$18,914.71	\$0.00	\$328,827.21	45.51%	\$179,187.20
MM/YYYY	861	\$227,065.37	\$94,986.48	\$111,640.66	\$10,588.79	\$0.00	\$216,476.58	43.88%	\$121,490.10
MM/YYYY	1,825	\$504,189.21	\$225,286.87	\$118,835.39	\$24,145.77	\$0.00	\$480,043.44	46.93%	\$254,756.57
MM/YYYY	1,536	\$436,473.42	\$182,924.03	\$134,240.64	\$23,239.87	\$0.00	\$413,233.55	44.27%	\$230,309.52
MM/YYYY	1,912	\$530,959.89	\$228,813.98	\$135,358.45	\$23,802.10	\$0.00	\$507,157.79	45.12%	\$278,343.81
MM/YYYY	1,492	\$442,743.74	\$182,374.74	\$151,489.00	\$14,076.09	\$0.00	\$428,667.65	42.54%	\$246,292.91
MM/YYYY	1,998	\$577,805.62	\$250,196.09	\$178,964.99	\$24,611.47	\$0.00	\$553,194.15	45.23%	\$302,998.06
MM/YYYY	1,273	\$383,799.75	\$159,229.35	\$158,640.40	\$14,403.18	\$0.00	\$369,396.57	43.11%	\$210,167.22
MM/YYYY	1,484	\$415,125.51	\$185,765.96	\$134,204.03	\$24,010.54	\$0.00	\$391,114.97	47.50%	\$205,349.01
Year Total	18,200	\$4,950,147.03	\$2,236,437.68	\$1,970,581.12	\$208,259.63	\$0.00	\$4,741,887.40	47.16%	\$2,505,449.72

## Payment Analysis Report Legend

# Referred = The number of account referred.

\$ Referred = The dollar amount referred.

Placement Collections = The dollars collected on the specific month's placement.

Monthly Collections = The dollars collected during the indicated month and year.

Total Adjustments = CRQ + STL + BKR + ADJ

Cancellations = Agency Cancellations

Collectable = \$ Referred - Adjustments

LIQ% = Placement Collections / Collectable

Active Dollars = Collectable - Placement Collections - Cancellations

Note: all statistics are based on placement month and year. The only exception to this rule is the monthly collection column.

## Penn Credit Corporation Cancellation Report

Report Date: MM/DD/YYYY  
Created for: \*Client Name\*

Account #	Name	Placed Date	Service Date	Balance	Return Date	Return Reason	BKR Docket#	BKR Date Filed	DEC Date
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$1,500.00	MM/DD/YYYY	PAID IN FULL			
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$500.00	MM/DD/YYYY	DECEASED			MM/DD/YYYY
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$650.00	MM/DD/YYYY	PER CLIENT REQUEST			
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$750.00	MM/DD/YYYY	UNCOLLECTIBLE			
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$625.00	MM/DD/YYYY	BANKRUPTCY	#####	MM/DD/YYYY	
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$435.00	MM/DD/YYYY	PAID IN FULL			
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$498.00	MM/DD/YYYY	PAID IN FULL			
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$1,275.00	MM/DD/YYYY	PER CLIENT REQUEST			
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$1,450.00	MM/DD/YYYY	UNCOLLECTIBLE			
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$650.00	MM/DD/YYYY	BANKRUPTCY	#####	MM/DD/YYYY	
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$975.00	MM/DD/YYYY	PAID IN FULL			
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$1,950.00	MM/DD/YYYY	PAID IN FULL			
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$498.00	MM/DD/YYYY	PER CLIENT REQUEST			
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$1,275.00	MM/DD/YYYY	UNCOLLECTIBLE			
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$1,450.00	MM/DD/YYYY	PAID IN FULL			
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$650.00	MM/DD/YYYY	DECEASED			MM/DD/YYYY
#####	Smith, Jane	MM/DD/YYYY	MM/DD/YYYY	\$975.00	MM/DD/YYYY	UNCOLLECTIBLE			
#####	Smith, John	MM/DD/YYYY	MM/DD/YYYY	\$1,950.00	MM/DD/YYYY	PAID IN FULL			
Report Total			18	\$18,056.00					

Penn Credit Corporation  
916 South 14th Street  
Harrisburg, PA 17104

## Statement of Collection

Frequency: Monthly

Statement Dates: MM/DD/YYYY to MM/DD/YYYY

Statement Type: Gross

Pay Codes: A=Agency Pmt / B=Agency NSF / M=Client Pmt / D=Client NSF / R=Agency Reversal / X=Client Reversal

Account Number	Name	Date Placed	Date Collected	Paid Client	Paid Agency	Pay Comm	Code	Due Agency	Due Client	Remaining Balance
#####	John Smith	MM/DD/YY	MM/DD/YY		100.00	25.0%	A	25.00	75.00	400.00
#####	Jane Smith	MM/DD/YY	MM/DD/YY		200.00	25.0%	A	50.00	150.00	00.00
#####	John Smith	MM/DD/YY	MM/DD/YY		50.00	25.0%	A	12.50	37.50	50.00
#####	Jane Smith	MM/DD/YY	MM/DD/YY		300.00-	25.0%	B	75.00-	225.00-	300.00
#####	Jane Smith	MM/DD/YY	MM/DD/YY	450.00		25.0%	M	112.50	337.50	350.00
#####	John Smith	MM/DD/YY	MM/DD/YY	150.00		25.0%	M	37.50	112.50	00.00
#####	Jane Smith	MM/DD/YY	MM/DD/YY	100.00		25.0%	M	25.00	75.00	500.00
#####	John Smith	MM/DD/YY	MM/DD/YY	75.00		25.0%	M	18.75	56.25	00.00
#####	John Smith	MM/DD/YY	MM/DD/YY	300.00-		25.0%	D	75.00-	225.00-	800.00
#####	Jane Smith	MM/DD/YY	MM/DD/YY		950.00	25.0%	A	237.50	712.50	00.00

\*SETTLED IN FULL\*

Client Totals: \$475.00 \$1000.00 \$368.75 \$1106.25

\*\* Total Collections \*\* \$1475.00  
Our Gross Check to you = \$1000.00  
You Owe Us \$368.75

## Regression Analysis

### Recovery rate based on placement dollars

Mth/Yr	# Referred	\$ Referred	1	2	3	4	5	6	7	8	9	10	11	12	Total
01/2012	1,773	\$405,612	4.33%	17.18%	5.86%	3.71%	2.19%	2.04%	1.92%	1.08%	0.89%	1.82%	1.40%	0.42%	42.84%
02/2012	1,436	\$351,839	12.75%	7.85%	4.71%	3.46%	2.82%	2.19%	1.81%	1.77%	1.78%	1.27%	0.58%		40.98%
03/2012	1,372	\$326,792	7.21%	6.10%	4.80%	3.96%	3.48%	2.44%	1.91%	2.04%	2.08%	1.43%			35.44%
04/2012	1,238	\$347,742	3.02%	5.42%	4.08%	3.66%	2.99%	2.15%	1.86%	1.43%	1.25%				25.88%
05/2012	861	\$227,065	2.02%	5.64%	4.20%	3.52%	1.69%	3.49%	1.53%	1.89%					23.98%
06/2012	1,825	\$504,189	4.25%	6.07%	4.59%	2.85%	3.74%	2.45%	1.58%						25.54%
07/2012	1,536	\$436,473	3.34%	4.13%	3.20%	3.30%	2.11%	2.29%							18.36%
08/2012	1,912	\$530,960	3.47%	7.19%	4.91%	2.58%	2.75%								20.90%
09/2012	1,492	\$442,744	3.14%	5.49%	4.06%	2.48%									15.17%
10/2012	1,998	\$577,806	3.65%	5.44%	4.26%										13.36%
11/2012	1,273	\$383,800	4.13%	4.36%											8.49%
12/2012	1,484	\$415,126	2.78%												2.78%

### Cummulative Recovery rate based on placement dollars

Mth/Yr	# Referred	\$ Referred	1	2	3	4	5	6	7	8	9	10	11	12	Total
01/2012	1,773	\$405,612	4.33%	21.51%	27.37%	31.08%	33.27%	35.31%	37.22%	38.31%	39.20%	41.02%	42.42%	42.84%	42.84%
02/2012	1,436	\$351,839	12.75%	20.59%	25.30%	28.76%	31.58%	33.77%	35.58%	37.35%	39.13%	40.40%	40.98%		40.98%
03/2012	1,372	\$326,792	7.21%	13.31%	18.11%	22.07%	25.55%	27.98%	29.89%	31.93%	34.01%	35.44%			35.44%
04/2012	1,238	\$347,742	3.02%	8.44%	12.53%	16.19%	19.18%	21.33%	23.19%	24.62%	25.88%				25.88%
05/2012	861	\$227,065	2.02%	7.66%	11.86%	15.38%	17.07%	20.56%	22.09%	23.98%					23.98%
06/2012	1,825	\$504,189	4.25%	10.32%	14.92%	17.77%	21.51%	23.95%	25.54%						25.54%
07/2012	1,536	\$436,473	3.34%	7.47%	10.67%	13.97%	16.07%	18.36%							18.36%
08/2012	1,912	\$530,960	3.47%	10.66%	15.57%	18.14%	20.90%								20.90%
09/2012	1,492	\$442,744	3.14%	8.63%	12.69%	15.17%									15.17%
10/2012	1,998	\$577,806	3.65%	9.10%	13.36%										13.36%
11/2012	1,273	\$383,800	4.13%	8.49%											8.49%
12/2012	1,484	\$415,126	2.78%												2.78%

## Client Snapshot Report

### Historical Statistics

#### Beginning to date

Total Accounts	3,571	
Gross Dollars	\$1,730,606	
Average Placement	\$485	
Collections	\$251,305	
Agency Payments	\$196,016	78.00%
Client Payments	\$55,278	22.00%
# paid in full	628	17.59%
# settled in full	0	0.00%
# partial payments	320	8.96%
Average payment	\$265	

#### Year to date

Total Accounts	486	
Gross Dollars	\$277,325	
Average Placement	\$571	
Collections	\$84,674	
Agency Payments	\$62,194	73.45%
Client Payments	\$22,476	26.54%
# paid in full	148	30.45%
# settled in full	0	0.00%
# partial payments	75	15.43%
Average payment	\$380	

#### Month to date

Total Accounts	26	
Gross Dollars	\$19,074	
Average Placement	\$734	
Collections	\$3,917	
Agency Payments	\$2,319	59.20%
Client Payments	\$1,597	40.77%
# paid in full	5	19.23%
# settled in full	0	0.00%
# partial payments	11	42.31%
Average payment	\$245	

### Active Account Statistics

#### Current active volume

Active Accounts	2,962
Active Dollars	\$2,016,387

#### Average account age (days)

Age at placement	1,167
Age with Penn	419
Age from service date	1,586

#### Call campaigns

Total Calls	112,774
Morning	51,029
Afternoon	50,600
Evening	17,570
MTD Calls	2,550
Morning	1,168
Afternoon	1,126
Evening	457
Total Contacts	3,290

#### Mailings

Total letters mailed	15,681
----------------------	--------

#### Mail returns and phone numbers

In skip(mail return/no phone)	2,497
% of active	84.30%
Mail return	836
% of active	28.22%
Good phone (home or cell)	1,307
% of active	44.13%
No phone (home or cell)	1,655
% of active	55.87%
Good cell phone	935
% of active	31.57%
% of good phones	71.54%

#### Skip attempts

# of skip attempts	38,040
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Confidential & Proprietary

PennCredit

## Remote Audit Portal

Penn Credit enables the State to view account activity on-line. This remote activity program can be accessed through the internet using a standard browser. We assign a username and password that allows our client access to their accounts only. Once logged into our system, the State has the ability to search by account number, name or Penn Credit ID number and then view items such as account status, balance, remarks, payments and account transactions.

Our site has recently received several upgrades and now features a dashboard report function that provides a snapshot of the portfolio as well as an ad hoc reporting section where reports can be downloaded either as a PDF or Excel spreadsheet.

The dashboard page contains various statistics based on account referral and collection activity. The State will see information on the dashboard page for collection placement and activity during the current month as well as that information from the time of the first account placement. Also on the dashboard page are links to multiple charts based on collection and placement statistics. The State can choose from 5 different charts, each containing the last 12 months of information.

Penn Credit's Client Portal also allows clients to place accounts on hold for up to 30 days at a time, submit a payment or adjustment on an account, and request the cancellation of an account. The State may also submit a request to add new accounts.

Consistent with Penn Credit's emphasis on data security, the site has a secure socket layer (SSL) with 256 bit encryption, is password protected and users are automatically logged off after 15 minutes of inactivity. For an extra layer of security, once a user becomes active, a trusted IP address will be linked to his or her login for identification purposes. After 90 days, inactive accounts are disabled; after 180 days, inactive accounts will be deleted.

Sample screen shots and available reports from this on-line access portal are provided on the following pages.

A demo of Penn Credit's Fusion Client Portal can be accessed by visiting:

<https://fusioncl.penncredit.com/>

## Login

Email Address

Password

Submit

[Forgot Password?](#)



[sign up](#)

[Watch Demo Video](#)

Search by

[Search](#)

[Reset](#)

Account#	Name	Service Date	Balance	Status	Penn ID#
<a href="#">01110-1111</a>	WAKALA, JOHN	10/01/2011	\$80.00	ACT	H0000002-001
<a href="#">01110-2222</a>	TIMOCHENKO, SUSAN	10/15/2011	\$0.00	PIF	H0000003-001
<a href="#">01110-3333</a>	JOHNSON, JIM	10/13/2011	\$300.00	BKR	H0000004-001
<a href="#">01110-4444</a>	JOHNSON, JAMES	01/01/2012	\$500.00	NEW	H0095536-001
<a href="#">01110-5555</a>	SMITH, JOE	01/10/2012	\$600.00	NEW	H0095537-001
<a href="#">01110-6666</a>	YOUNG, MARY	01/01/2012	\$1,000.00	NEW	H0095538-001
<a href="#">01110-7777</a>	KLINE, JOHN	01/01/2012	\$850.00	NEW	H0095539-001
<a href="#">01110-8888</a>	SMALL, JIM	12/15/2011	\$1,500.00	NEW	H0095540-001
<a href="#">01110-9999</a>	BRADLEY, BILL	12/01/2011	\$2,000.00	HPC	H0095541-001

(Maximum of 50 results displayed)

# PennCredit

Service • Integrity • Results

## Dashboard Statistics

### Current Month

**\$2,679.50** Collections  
**\$0.00** Placed  
**\$0.00** Client Cancellations  
**\$0.00** Penn Cancellations

### Beginning to Date

**\$888,994.07** Collections  
**\$27,689,011.63** Placed  
**4.09%** Recovery  
**\$2,240,399.55** Open Inventory

### Monthly Collections



Charts: Monthly Collections | Batch Collections | Batch Recovery | Open vs Placed | Number Placed |



## Client Access Portal

[Home](#) | [Lookup](#) | [Reports](#) | [Logoff](#)

Search by

Account#	Name	Service Date	Balance	Status	Penn ID#
<a href="#">01110-1111</a>	WAKALA, JOHN	10/01/2011	\$80.00	ACT	H0000002-001
<a href="#">01110-2222</a>	TIMOCHENKO, SUSAN	10/15/2011	\$0.00	PIF	H0000003-001
<a href="#">01110-3333</a>	JOHNSON, JIM	10/13/2011	\$300.00	BKR	H0000004-001
<a href="#">01110-4444</a>	JOHNSON, JAMES	01/01/2012	\$500.00	NEW	H0095536-001
<a href="#">01110-5555</a>	SMITH, JOE	01/10/2012	\$600.00	NEW	H0095537-001

(Maximum of 50 results displayed)

**Account #:** 01110-1111  
**Penn ID #:** TBK: H0000002001  
**Placed:** 01/05/2012 **Service:** 10/01/2011  
**Account Status:** ACT - ACTIVE ACCOUNT  
**Patient Name:**  
**Service Rendered:** DELINQUENT BILL  
**# of Letters:** 1 **Last Ltr:** 01/06/2012

**Gross Placed:** \$100.00  
**Add-on:** \$0.00  
**Adjustments:** \$20.00  
**Penalty/Int:** \$0.00  
**Total Payments:** \$0.00  
**Balance:** \$80.00

**Name/Address**  
WAKALA, JOHN  
123 MARKET ST  
HARRISBURG, PA 17111-0000  
**Home:** 111-111-1111  
**Work:** 222-222-2222  
**Promise Date:**  
**Promise Amount:** \$0.00  
**Last Pmt Date:**  
**Last Pmt Amount:** \$0.00  
**Return Date:**  
**Return Reason Code:**

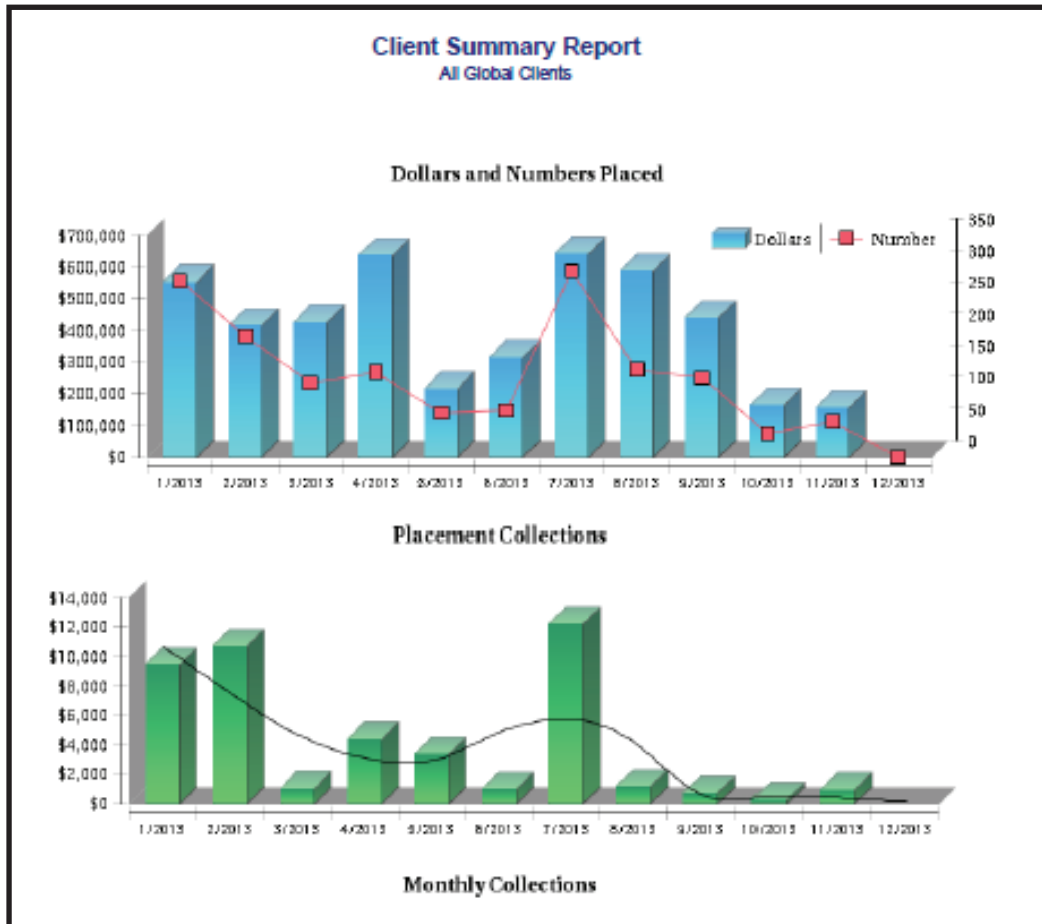
[Account Summary \(PDF\)](#)

[Remarks](#) | [Contacts](#) | [Payments](#) | [Transactions](#) | [Bankruptcy](#) | [30 Day Hold](#)

Date	Time	Remark
03/06/2013	10:25	USER: DEB NEW ACT: 0000002002
01/18/2013	09:01	TEST
01/18/2013	09:01	TEST
01/18/2013	09:00	TEST
01/18/2013	09:00	TEST
01/18/2013	09:00	TEST
01/18/2013	08:59	TEST
00/25/2012	11:54	USER: DEB ADDRESS CHG

This site provided by Penn Credit Corporation





## Submit Payment/Adjustment Transaction

Type

☒ Payment  
☐ Adjustment

Amount

Comments

## Request account to be cancelled

Cancellation Reason

Comments

☒ Placed in error  
☐ Bankrupt  
☐ Duplicate Account  
☐ Deceased  
☐ MA Write-Off  
☐ Charity Write-Off  
☐ Administrative Write-Off  
☐ Other (Please enter comments below)

## Account Analysis Options

(Archived accounts will not appear in this report)

Select Client Code: SG1140 - All Accounts ▼

Only accounts with promises: No ▼

Placed From: Month Jan ▼ Day 01 ▼ Year 2013 ▼

With payment in last # of days: 0

Placed To: Month Dec ▼ Day 31 ▼ Year 2013 ▼

No payment in last # days: 0

Account Status: All Statuses ▼

Total payments greater than: 0.00

Current Balance Range from: 0.00 to: 9999999999.99

Start Selection

Reset Form

## Acknowledgement Report Scan Options

Select Client Code: SG1140 - All Accounts ▼

From: Month Jan ▼ Year 2013 ▼

To: Month Dec ▼ Year 2013 ▼

Create Report

Reset Form

## Cancellation Report Scan Options

Select Client Code: SG1140 - All Accounts ▼

From: Month Jan ▼ Year 2013 ▼

To: Month Dec ▼ Year 2013 ▼

Create Report

Reset Form

4.1.6 Litigation – Accounts that have not been collected by the collection agencies may be referred to the Attorney General’s Office for litigation. When returning a claim to the referring state spending unit, the collection agency must submit a completed litigation referral form which must contain all information requested.

Penn Credit agrees. Accounts that have not been collected by Penn Credit may be referred to the Attorney General’s Office for litigation. When returning a claim to the referring state spending unit, Penn Credit will submit a completed litigation referral form which must contain all information requested.

4.1.7 HIPAA Any Collection Agency doing business with any State Agency that is bound by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must sign the attached agreement and return prior to award of bid.

Penn Credit understands that any Collection Agency doing business with any State Agency that is bound by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must sign the attached agreement and return prior to award of bid. Penn Credit credit

The debt recovery industry is covered by a multitude of laws and regulations. Penn Credit understands the importance of staying abreast of and complying with all applicable federal, state, and local laws and regulations. We are keenly aware that our debt recovery practices directly reflect on our clients; therefore, collectors are required to adhere to strict ethical and professional standards.

We believe that the collection staff must understand what is expected of them, maintain high quality in their work, and give our clients the best collection effort possible. It is the responsibility of management to give the collection staff the proper tools, training and follow up to assure their success.

Our management staff is very active in the daily routine of its collection staff and monitors their performance through group and individual training sessions, verbal quality audits through voice recording/monitoring technology, and work standard audits; compliance is assured through regular monitoring of all collectors and immediate follow up on any complaints or disputes.

Penn Credit adheres to the following:

- Fair Debt Collection Practices Act (15 U.S.C. § 1692 et seq.)
- **Health Insurance Portability & Accountability Act (HIPAA)**
- **Health Information Technology for Economic and Clinical Health (HITECH)**
- Gramm-Leach-Bliley Act (15 U.S.C., Subchapter 1, §6801-6809)
- Consumer Credit Protection Act (15 U.S.C. 1601 et seq.)
- Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.)
- The Privacy Act of 1974, as amended (5 U.S.C. § 552a)
- Immigration Reform and Control Act of 1986 (IRCA)
- Fair Labor Standards Act and Federal minimum wage laws

Prior to commencing work for Penn Credit, each collector must learn and understand the requirements as outlined in the Fair Debt Collection Practices Act and all other applicable regulations; an acknowledgment of the collector's understanding of requirements must be completed and signed by the collector prior to commencing collection efforts.

Furthermore, Penn Credit is a strong supporter of ACA International's policies and educational programs. We have adopted their Code of Ethics and Code of Operations, and a link on our website leads to their popular public awareness and assistance tool, Ask Doctor Debt. This application allows consumers to obtain facts regarding collection laws and debtor rights; there is also an FAQ in which consumers may submit questions and view past responses

### ***Compliance Training and ACA Certification***

- Our Vice President of Collections is an ACA Certified Credit, Collections Compliance Officer (CCCO), and is an ACA Scholar Recipient and Fellow
- All trainers are ACA Certified Trainers
- All Division Managers are ACA Certified Trainers; all training is reinforced by the management team on a daily basis

It is Penn Credit's goal that all collectors attend ACA Certification classes to become ACA certified within 8 months of hire. ACA certification includes extensive training in FDCPA and professional telephone techniques.

***PennCredit***  
*[www.penncredit.com](http://www.penncredit.com)*

REQUEST FOR QUOTATION  
CRFQ 0212 SWC1500000005 Debt Collection

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**SPECIFICATIONS**

- 1. PURPOSE AND SCOPE:** The West Virginia Purchasing Division is requesting bids for a statewide, open-end Contract for Debt Collection for all West Virginia State Agencies and political subdivisions.

West Virginia State Code §14-1-18A empowers the Secretary of the Department of Administration to collect, or cause to be collected, debts and claims due to the State of West Virginia and/or its spending units. Any changes made in the law will be communicated to the successful vendor(s) by the Purchasing Division of the Department of Administration and made a part of the contract. All collections must be in accordance with West Virginia State Code Chapter 45A, West Virginia Consumer Credit and Protection Act, and Chapter 46A-2-122-129 (attached as Exhibit A); along with any Federal law that may preempt the West Virginia Consumer Credit and Protection Act.

- 2. DEFINITIONS:** The terms listed below shall have the meanings assigned to them below. Additional definitions can be found in section 2 of the General Terms and Conditions.

**2.1 “Contract Services”** means debt collection services, as specified below.

**2.2 “Pricing Page”** means the pages upon which Vendor should list its proposed price for the Contract Services. The Pricing Page is either included on the last page of this CRFQ or attached hereto as Exhibit C.

**2.3 “CRFQ”** means the official request for quotation published by the Purchasing Division and identified as CRFQ 0212 SWC1500000005.

**2.4 “Primary Placement”** is an account that has never been placed with another collection company or collection attorney.

**2.5 “Second Placement”** is an account that another collection company or collection attorney has previously tried to collect and failed.

- 1. QUALIFICATIONS:** Vendor shall have the following minimum qualifications:

- 1.1.** The collection agency must be a full service agency and have the ability to handle several classifications of accounts, including educational, medical, and any other account assigned to it. A minimum of 22 state spending units have indicated to the Purchasing Division that they anticipate the utilization of

REQUEST FOR QUOTATION  
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collection services. Other State Agencies may elect to use the collection services provided by the successful bidders.

These spending units are –

- 1.1.1. Marshall University – Huntington, WV
- 1.1.2. West Virginia State University – Institute, WV
- 1.1.3. Shepherd College – Shepherdstown, WV
- 1.1.4. West Liberty State College – West Liberty, WV
- 1.1.5. Bluefield State College – Bluefield, WV
- 1.1.6. Glenville State College – Glenville, WV
- 1.1.7. Concord College – Athens, WV
- 1.1.8. West Virginia Northern Community College – Wheeling, WV
- 1.1.9. West Virginia Graduate College – Institute, WV
- 1.1.10. Potomac State College – Keyser, WV
- 1.1.11. WV University Institute of Technology – Montgomery, WV
- 1.1.12. WV School of Osteopathic Medicine – Lewisburg, WV
- 1.1.13. West Virginia University – Morgantown, WV
- 1.1.14. Fairmont State College – Fairmont, WV
- 1.1.15. Southern West Virginia Community College – Logan, WV
- 1.1.16. West Virginia Division of Highways – Charleston, WV
- 1.1.17. West Virginia Department of Transportation – Charleston, WV
- 1.1.18. West Virginia Dept. of Health and Human Resources – Charleston, WV
- 1.1.19. West Virginia Dept. of Tax and Revenue – Charleston, WV
- 1.1.20. Barboursville Veterans Home – Barboursville, WV
- 1.1.21. WV Workers' Compensation – Charleston, WV
- 1.1.22. WV Division of Environmental Protection – Charleston, WV

**1.2. Out-of-State Collection Agencies:** Out-of-state collection agencies without an office in the State of West Virginia are restricted to contacting residents of this State for the collection of debts by letters and telephone calls. Prior to award the successful bidder is required to designate to the Tax Commissioner a resident agent (name, address and phone number) upon whom notices, orders or other communications may be served and upon whom process may be served. West Virginia Secretary of State may be designated as the resident agent for service process pursuant to West Virginia State Code §56-3-33, attached as Exhibit B.



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## 2. MANDATORY REQUIREMENTS:

**4.1 Mandatory Contract Services Requirements and Deliverables:** Contract Services must meet or exceed the mandatory requirements listed below.

**4.1.1** Vendor must attempt to collect debts on behalf of the State of West Virginia and/or its spending units.

**4.1.2** The Department of Administration reserves the right to request an examination or audit of any or all records relating to matters covered by this contract. All records must be kept a minimum of six (6) years by the vendor.

**4.1.3** In accordance with national direct student loan guidelines, all fees charged against student loan accounts will apply only to the original principal and interest owed by the debtor, excluding any added collection costs.

**4.1.4 Placements (Both Primary Placement and Secondary Placement)**

**4.1.4.1** The vendor(s) must have the ability to handle several account classifications of accounts separately, in order to provide the spending unit with information on the collection performance for each class of accounts.

**4.1.4.2** By West Virginia State law, a spending unit must attempt to collect a claim for three (3) months before a claim can be placed with a collection agency.

**4.1.4.3** Upon Placement of an account with a collection agency, the spending unit will forward a letter of transmittal to the collection agency in its designated area. These transmittals will contain the following –

**4.1.4.3.1** Type of Account and description of service

**4.1.4.3.2** Name of whom the claim is made against

**4.1.4.3.3** Address, including zip code

**4.1.4.3.4** Balance Due

**4.1.4.3.5** Date of Service or age of account

**4.1.4.3.6** Telephone number (Optional)

**4.1.4.3.7** Previous collection reports received on individual accounts when available

**4.1.4.3.8** Any other information deemed important by the spending unit.

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- 4.1.4.4** The collection agency will have a minimum of 180 calendar days to attempt to collect debts. Upon expiration of 180 calendar days, the collection agency will transfer all uncollected debts back to the originating spending unit. Collection agencies are not required to transfers accounts back to the spending unit on which payments are still being received at the end of the 180 day period or that are in dispute or nearing settlement, however all accounts not paid in full at the end of two (2) years, inclusive of the 180 day period, will be referred back to the originating spending unit unless exempted by the Secretary of Administration. When returning a claim, the collection agency must submit a completed litigation referral form.
- 4.1.4.5** The vendor will implement collection procedures and attempt to achieve maximum recovery from debtors. These procedures will include at least 2 monthly telephone calls and 1 monthly letter. Procedures will also include direct mailing efforts and skip tracing procedures when the address is identified as undeliverable by the post office.

**4.1.5 Payments and Reporting**

- 4.1.5.1** The collection agency will forward all payments collected during any month by the 15<sup>th</sup> day of the following month to the originating spending unit accompanied by the report specified below. The collection effort will continue until an account is paid in full, except as otherwise restricted, until the spending unit desires collection efforts to be terminated, or until the 180 period has lapsed.
- 4.1.5.2** The collection agency must send a completed report to the spending unit on or before the 15<sup>th</sup> of every month for the preceding month, whether or not any payments were received.
- 4.1.5.3** The following information must be included in each report by debtor in alphabetical order, by debtors surname:
- 4.1.5.3.1** Debtor's name(s) and social security number(s) or other identification number(s) as agreed upon by the spending unit and collection agency.
  - 4.1.5.3.2** Placement date of accounts
  - 4.1.5.3.3** Beginning amount to collect, additional amount authorized for collection, amounts previously collected,

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amounts collected for current month, total collections to date, and balance owed.

**4.1.5.3.4** Amount(s) forwarded to spending unit and balance due to spending unit.

**4.1.5.3.5** Fees assessed, amount collected and balance due

**4.1.5.3.6** Reason for returned or closed accounts (if applicable)

**4.1.5.3.7** Remarks

**4.1.5.3.8** Percent of dollar amounts collected to date

**4.1.5.3.9** All collection agencies shall have the capacity to add accrued interest to applicable accounts on a monthly basis, this shall be included in the report

**4.1.6 Litigation** – Accounts that have not been collected by the collection agencies may be referred to the Attorney General’s Office for litigation. When returning a claim to the referring state spending unit, the collection agency must submit a completed litigation referral form which must contain all information requested.

**4.1.7 HIPPA** Any Collection Agency doing business with any State Agency that is bound by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must sign the attached agreement and return prior to award of bid.

### **3. CONTRACT AWARD:**

**5.1 Contract Award:** The Contract is intended to provide Agency with a purchase price for the Contract Services. If it is in the best interest of the state, the contract will be a progressive award with multiple vendors. Award will be made for low bid percentage to high percentage and usage will be in the same manner, per line item. If the low bid cannot provide the needs for the Facility at the requested time, the second low bid will be contacted. We will allow 48 hours for vendor to determine if they will be able to meet our needs.

**5.2 Pricing Page:** Vendor should complete the Pricing Page. The fees stated on the cost proposal must be wholly contingent on collection. Cost proposals must be bid in the form of percentage rates, as a percentage of collections. Price shall be a straight overall percentage. The quoted fees in the bid proposal shall be all inclusive and shall include all expenses to be incurred in connection with the services to be performed. Vendor should complete the Pricing Page in full as failure to complete the Pricing Page in its entirety may result in Vendor’s bid being disqualified.

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Vendor should type or electronically enter the information into the Pricing Page to prevent errors in the evaluation.

4. **PERFORMANCE:** Vendor and Agency shall agree upon a schedule for performance of Contract Services and Contract Services Deliverables, unless such a schedule is already included herein by Agency. In the event that this Contract is designated as an open-end contract, Vendor shall perform in accordance with the release orders that may be issued against this Contract.
5. **PAYMENT:** Upon payment to the spending unit of all sums collected on behalf of the spending unit by the collection agency, the collection agency will invoice the spending unit for the fee assessed. Compensation will be paid only if the debtor pays all or a portion of the account due. The collection agency is prohibited from retaining its fee from the amount collected on behalf of the State. Furthermore, fees assessed by the collection agency for collecting a claim shall never exceed the fee specified in the purchase order issued by the Purchasing Division of the Department of Administration, or the amount specified by law. Agency shall pay for all Contract Services performed and accepted under this Contract. Vendor shall accept payment in accordance with the payment procedures of the State of West Virginia.
6. **TRAVEL:** Vendor shall be responsible for all mileage and travel costs, including travel time, associated with performance of this Contract. Any anticipated mileage or travel costs may be included in the flat fee or hourly rate listed on Vendor's bid, but such costs will not be paid by the Agency separately.
7. **FACILITIES ACCESS:** Performance of Contract Services may require access cards and/or keys to gain entrance to Agency's facilities. In the event that access cards and/or keys are required:
  - 7.1. Vendor must identify principal service personnel which will be issued access cards and/or keys to perform service.
  - 7.2. Vendor will be responsible for controlling cards and keys and will pay replacement fee, if the cards or keys become lost or stolen.
  - 7.3. Vendor shall notify Agency immediately of any lost, stolen, or missing card or key.
  - 7.4. Anyone performing under this Contract will be subject to Agency's security protocol and procedures.

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7.5. Vendor shall inform all staff of Agency's security protocol and procedures.

**8. VENDOR DEFAULT:**

8.1. The following shall be considered a vendor default under this Contract.

8.1.1. Failure to perform Contract Services in accordance with the requirements contained herein.

8.1.2. Failure to comply with other specifications and requirements contained herein.

8.1.3. Failure to comply with any laws, rules, and ordinances applicable to the Contract Services provided under this Contract.

8.1.4. Failure to remedy deficient performance upon request.

8.2. The following remedies shall be available to Agency upon default.

8.2.1. Immediate cancellation of the Contract.

8.2.2. Immediate cancellation of one or more release orders issued under this Contract.

8.2.3. Any other remedies available in law or equity.

**9. MISCELLANEOUS:**

9.1. **Contract Manager:** During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

**Contract Manager:** Dale Brumbach  
**Telephone Number:** 800-720-7293  
**Fax Number:** 717-238-0901  
**Email Address:** dale.brumbach@penncredit.com

State of West Virginia

VENDOR PREFERENCE CERTIFICATE

Certification and application\* is hereby made for Preference in accordance with **West Virginia Code**, §5A-3-37. (Does not apply to construction contracts). **West Virginia Code**, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the **West Virginia Code**. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Vendor Preference, if applicable.

1.

n/a

Application is made for 2.5% vendor preference for the reason checked:  
Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or**,  

n/a

 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or**,  

n/a

 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; **or**,
2.

n/a

Application is made for 2.5% vendor preference for the reason checked:  
Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,
3.

n/a

Application is made for 2.5% vendor preference for the reason checked:  
Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,
4.

n/a

Application is made for 5% vendor preference for the reason checked:  
Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; **or**,
5.

n/a

Application is made for 3.5% vendor preference who is a veteran for the reason checked:  
Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; **or**,
6.

n/a

Application is made for 3.5% vendor preference who is a veteran for the reason checked:  
Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.
7.

n/a

Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with **West Virginia Code §5A-3-59 and West Virginia Code of State Rules**.  
Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: Penn Credit Corporation

Signed: 

Date: November 20, 2014


Title: Treasurer

Exhibit C - Pricing Page

Vendor must complete this schedule, for items being bid. The fee structure submitted to the State of West Virginia is as follows:

Agency	Type of Account	% of Amount Collected
1. Colleges and Universities	Per Debt	5.98%
2. Worker's Compensation	Default Account	4.98%
3. WV Department of Tax and Revenue	New Accounts	4.98%
	Levy Account - Where our employee is instrumental in the preperation of the levies.	5.00%
4. Division of Environmental Protection	Per Debt	5.98%
5. Other Spending Units	Per Debt	5.98%
6. Rate of Second Placement	Per Debt	11%
	Colleges	11%


Bidder Contact Info

Vendor: \_\_\_\_\_  
Penn Credit Corporation  
Bidder Name (Print): \_\_\_\_\_  
Penn Credit Corporation  
Contact Name (Print): \_\_\_\_\_  
Dale Brumbach  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
800-720-7293 717-238-0901  
E-mail: \_\_\_\_\_  
dale.brumbach@penncredit.com  
Bidder Signatue:  \_\_\_\_\_  
Kyle R. Donagher, Treasurer

### **CERTIFICATION AND SIGNATURE PAGE**

By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

Penn Credit Corporation  
(Company)

 Kyle Donagher, Treasurer  
(Authorized Signature) (Representative Name, Title)

800-800-3328; 717-238-0901; November 20, 2014  
(Phone Number) (Fax Number) (Date)



ADDENDUM ACKNOWLEDGEMENT FORM  
SOLICITATION NO.: CRFQ 0212 SWC1500000006


Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:  
(Check the box next to each addendum received)

- |   |  |
|---|--|
| <input checked="checked" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6  |
| <input type="checkbox"/> Addendum No. 2                   | <input type="checkbox"/> Addendum No. 7  |
| <input type="checkbox"/> Addendum No. 3                   | <input type="checkbox"/> Addendum No. 8  |
| <input type="checkbox"/> Addendum No. 4                   | <input type="checkbox"/> Addendum No. 9  |
| <input type="checkbox"/> Addendum No. 5                   | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Penn Credit Corporation  
Company  
  
Authorized Signature

November 20, 2014  
Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.

STATE OF WEST VIRGINIA  
Purchasing Division**PURCHASING AFFIDAVIT**

**MANDATE:** Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

**EXCEPTION:** The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

**DEFINITIONS:**

**"Debt"** means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

**"Employer default"** means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

**"Related party"** means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**Vendor's Name: Penn Credit CorporationAuthorized Signature: [Signature] Date: November 20, 2014State of PennsylvaniaCounty of Dauphin, to-wit:Taken, subscribed, and sworn to before me this 19 day of November, 2014.My Commission expires 8-30, 2016.**AFFIX SEAL HERE****NOTARY PUBLIC** [Signature]*Purchasing Affidavit (Revised 07/01/2012)*

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Tracy Grohman, Notary Public  
City of Harrisburg, Dauphin County  
My Commission Expires Aug. 30, 2016  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES



Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

State of West Virginia  
Request for Quotation  
33 — Service - Misc

Proc Folder: 30609

Doc Description: Statewide Contract for Debt Collection

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2014-10-28	2014-11-18 13:30:00	CRFQ 0212 SWC1500000006	1

#### BID RECEIVING LOCATION

BID CLERK

DEPARTMENT OF ADMINISTRATION

PURCHASING DIVISION

2019 WASHINGTON ST E

CHARLESTON

WV 25305

US

#### VENDOR

Vendor Name, Address and Telephone Number:

Penn Credit Corporation  
916 S. 14th Street  
Harrisburg, PA 17104  
800-800-3328

#### FOR INFORMATION CONTACT THE BUYER

Tara Lyle  
(304) 558-2544  
tara.l.lyle@wv.gov

Signature X

FEIN # 23-2470030

DATE November 20, 2014

All offers subject to all terms and conditions contained in this solicitation

INVOICE TO	SHIP TO
ALL STATE AGENCIES VARIOUS LOCATIONS AS INDICATED BY ORDER	STATE OF WEST VIRGINIA VARIOUS LOCATIONS AS INDICATED BY ORDER
No City US	No City US
WV99999	WV 99999

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Debt collection services - Colleges and Universities				

Comm Code	Manufacturer	Specification	Model #
84101704			

**Extended Description :**

Type of Account - Per Debt  
% of Amount Collected -

INVOICE TO	SHIP TO
ALL STATE AGENCIES VARIOUS LOCATIONS AS INDICATED BY ORDER	STATE OF WEST VIRGINIA VARIOUS LOCATIONS AS INDICATED BY ORDER
No City US	No City US
WV99999	WV 99999

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
2	Debt collection services - Worker's Compensation				

Comm Code	Manufacturer	Specification	Model #
84101704			

**Extended Description :**

Type of Account - Default Account  
% of Amount Collected -

INVOICE TO	SHIP TO
ALL STATE AGENCIES VARIOUS LOCATIONS AS INDICATED BY ORDER	STATE OF WEST VIRGINIA VARIOUS LOCATIONS AS INDICATED BY ORDER
No City US	No City US
WV99999	WV 99999

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
3	Debt collection services - WV Department of Tax and Revenue				

Comm Code	Manufacturer	Specification	Model #
84101704			

**Extended Description :**

Type of Account - New Accounts

% of Amount Collected -

INVOICE TO		SHIP TO	
ALL STATE AGENCIES VARIOUS LOCATIONS AS INDICATED BY ORDER		STATE OF WEST VIRGINIA VARIOUS LOCATIONS AS INDICATED BY ORDER	
No City	WV99999	No City	WV 99999
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
4	Debt collection services - WV Department of Tax and Revenue				

Comm Code	Manufacturer	Specification	Model #
84101704			

**Extended Description :**

Type of Account - Levy Account

% of Amount Collected -

INVOICE TO		SHIP TO	
ALL STATE AGENCIES VARIOUS LOCATIONS AS INDICATED BY ORDER		STATE OF WEST VIRGINIA VARIOUS LOCATIONS AS INDICATED BY ORDER	
No City	WV99999	No City	WV 99999
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
5	Debt collection services - Div. of Environmental Protection				

Comm Code	Manufacturer	Specification	Model #
84101704			

**Extended Description :**

Type of Account - Per Debt

% of Amount Collected -

INVOICE TO		SHIP TO	
ALL STATE AGENCIES VARIOUS LOCATIONS AS INDICATED BY ORDER		STATE OF WEST VIRGINIA VARIOUS LOCATIONS AS INDICATED BY ORDER	
No City	WV99999	No City	WV 99999
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
6	Debt collection services - Other Spending Units				

Comm Code	Manufacturer	Specification	Model #
84101704			

**Extended Description :**

Type of Account - Per Debt  
% of Amount Collected -

INVOICE TO		SHIP TO	
ALL STATE AGENCIES VARIOUS LOCATIONS AS INDICATED BY ORDER		STATE OF WEST VIRGINIA VARIOUS LOCATIONS AS INDICATED BY ORDER	
No City	WV99999	No City	WV 99999
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
7	Debt collection services - Rate of Second Placement				

Comm Code	Manufacturer	Specification	Model #
84101704			

**Extended Description :**

Type of Account - Per Debt  
% of Amount Collected -

INVOICE TO		SHIP TO	
ALL STATE AGENCIES VARIOUS LOCATIONS AS INDICATED BY ORDER		STATE OF WEST VIRGINIA VARIOUS LOCATIONS AS INDICATED BY ORDER	
No City	WV99999	No City	WV 99999
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
8	Debt collection services - Rate of Second Placement-Colleges				

Comm Code	Manufacturer	Specification	Model #
84101704			

**Extended Description :**

Type of Account - Colleges  
 % of Amount Collected -

SWC1500000006	<b>Document Phase</b> Final	<b>Document Description</b> Statewide Contract for Debt Co llection	<b>Page 6</b> of 6
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### ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions



## WV STATE GOVERNMENT

### HIPAA BUSINESS ASSOCIATE ADDENDUM

This Health Insurance Portability and Accountability Act of 1996 (hereafter, HIPAA) Business Associate Addendum ("Addendum") is made a part of the Agreement ("Agreement") by and between the State of West Virginia ("Agency"), and Business Associate ("Associate"), and is effective as of the date of execution of the Addendum.

The Associate performs certain services on behalf of or for the Agency pursuant to the underlying Agreement that requires the exchange of information including protected health information protected by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (the "HITECH Act"), any associated regulations and the federal regulations published at 45 CFR parts 160 and 164 (sometimes collectively referred to as "HIPAA"). The Agency is a "Covered Entity" as that term is defined in HIPAA, and the parties to the underlying Agreement are entering into this Addendum to establish the responsibilities of both parties regarding HIPAA-covered information and to bring the underlying Agreement into compliance with HIPAA.

Whereas it is desirable, in order to further the continued efficient operations of Agency to disclose to its Associate certain information which may contain confidential individually identifiable health information (hereafter, Protected Health Information or PHI); and

Whereas, it is the desire of both parties that the confidentiality of the PHI disclosed hereunder be maintained and treated in accordance with all applicable laws relating to confidentiality, including the Privacy and Security Rules, the HITECH Act and its associated regulations, and the parties do agree to at all times treat the PHI and interpret this Addendum consistent with that desire.

NOW THEREFORE: the parties agree that in consideration of the mutual promises herein, in the Agreement, and of the exchange of PHI hereunder that:

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

- a. **Agency Procurement Officer** shall mean the appropriate Agency individual listed at: <http://www.state.wv.us/admin/purchase/vrc/agencyli.html>.
- b. **Agent** shall mean those person(s) who are agent(s) of the Business Associate, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c).
- c. **Breach** shall mean the acquisition, access, use or disclosure of protected health information which compromises the security or privacy of such information, except as excluded in the definition of Breach in 45 CFR § 164.402.
- d. **Business Associate** shall have the meaning given to such term in 45 CFR § 160.103.
- e. **HITECH Act** shall mean the Health Information Technology for Economic and Clinical Health Act. Public Law No. 111-05. 111<sup>th</sup> Congress (2009).

- f. **Privacy Rule** means the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Parts 160 and 164.
- g. **Protected Health Information** or PHI shall have the meaning given to such term in 45 CFR § 160.103, limited to the information created or received by Associate from or on behalf of Agency.
- h. **Security Incident** means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information or interference with system operations in an information system.
- i. **Security Rule** means the Security Standards for the Protection of Electronic Protected Health Information found at 45 CFR Parts 160 and 164.
- j. **Subcontractor** means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

## 2. Permitted Uses and Disclosures.

- a. **PHI Described.** This means PHI created, received, maintained or transmitted on behalf of the Agency by the Associate. This PHI is governed by this Addendum and is limited to the minimum necessary, to complete the tasks or to provide the services associated with the terms of the original Agreement, and is described in Appendix A.
- b. **Purposes.** Except as otherwise limited in this Addendum, Associate may use or disclose the PHI on behalf of, or to provide services to, Agency for the purposes necessary to complete the tasks, or provide the services, associated with, and required by the terms of the original Agreement, or as required by law, if such use or disclosure of the PHI would not violate the Privacy or Security Rules or applicable state law if done by Agency or Associate, or violate the minimum necessary and related Privacy and Security policies and procedures of the Agency. The Associate is directly liable under HIPAA for impermissible uses and disclosures of the PHI it handles on behalf of Agency.
- c. **Further Uses and Disclosures.** Except as otherwise limited in this Addendum, the Associate may disclose PHI to third parties for the purpose of its own proper management and administration, or as required by law, provided that (i) the disclosure is required by law, or (ii) the Associate has obtained from the third party reasonable assurances that the PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party by the Associate; and, (iii) an agreement to notify the Associate and Agency of any instances of which it (the third party) is aware in which the confidentiality of the information has been breached. To the extent practical, the information should be in a limited data set or the minimum necessary information pursuant to 45 CFR § 164.502, or take other measures as necessary to satisfy the Agency's obligations under 45 CFR § 164.502.

### 3. Obligations of Associate.

- a. **Stated Purposes Only.** The PHI may not be used by the Associate for any purpose other than as stated in this Addendum or as required or permitted by law.
- b. **Limited Disclosure.** The PHI is confidential and will not be disclosed by the Associate other than as stated in this Addendum or as required or permitted by law. Associate is prohibited from directly or indirectly receiving any remuneration in exchange for an individual's PHI unless Agency gives written approval and the individual provides a valid authorization. Associate will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. Associate will report to Agency any use or disclosure of the PHI, including any Security Incident not provided for by this Agreement of which it becomes aware.
- c. **Safeguards.** The Associate will use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of the PHI, except as provided for in this Addendum. This shall include, but not be limited to:
  - i. Limitation of the groups of its workforce and agents, to whom the PHI is disclosed to those reasonably required to accomplish the purposes stated in this Addendum, and the use and disclosure of the minimum PHI necessary or a Limited Data Set;
  - ii. Appropriate notification and training of its workforce and agents in order to protect the PHI from unauthorized use and disclosure;
  - iii. Maintenance of a comprehensive, reasonable and appropriate written PHI privacy and security program that includes administrative, technical and physical safeguards appropriate to the size, nature, scope and complexity of the Associate's operations, in compliance with the Security Rule;
  - iv. In accordance with 45 CFR §§ 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information.
- d. **Compliance With Law.** The Associate will not use or disclose the PHI in a manner in violation of existing law and specifically not in violation of laws relating to confidentiality of PHI, including but not limited to, the Privacy and Security Rules.
- e. **Mitigation.** Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Associate of a use or disclosure of the PHI by Associate in violation of the requirements of this Addendum, and report its mitigation activity back to the Agency.



**f. Support of Individual Rights.**

- i. Access to PHI.** Associate shall make the PHI maintained by Associate or its agents or subcontractors in Designated Record Sets available to Agency for inspection and copying, and in electronic format, if requested, within ten (10) days of a request by Agency to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524 and consistent with Section 13405 of the HITECH Act.
- ii. Amendment of PHI.** Within ten (10) days of receipt of a request from Agency for an amendment of the PHI or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors shall make such PHI available to Agency for amendment and incorporate any such amendment to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.526.
- iii. Accounting Rights.** Within ten (10) days of notice of a request for an accounting of disclosures of the PHI, Associate and its agents or subcontractors shall make available to Agency the documentation required to provide an accounting of disclosures to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.528 and consistent with Section 13405 of the HITECH Act. Associate agrees to document disclosures of the PHI and information related to such disclosures as would be required for Agency to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. This should include a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six (6) years from the date of disclosure, or longer if required by state law. At a minimum, such documentation shall include:

  - the date of disclosure;
  - the name of the entity or person who received the PHI, and if known, the address of the entity or person;
  - a brief description of the PHI disclosed; and
  - a brief statement of purposes of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure.
- iv. Request for Restriction.** Under the direction of the Agency, abide by any individual's request to restrict the disclosure of PHI, consistent with the requirements of Section 13405 of the HITECH Act and 45 CFR § 164.522, when the Agency determines to do so (except as required by law) and if the disclosure is to a health plan for payment or health care operations and it pertains to a health care item or service for which the health care provider was paid in full "out-of-pocket."
- v. Immediate Discontinuance of Use or Disclosure.** The Associate will immediately discontinue use or disclosure of Agency PHI pertaining to any individual when so requested by Agency. This includes, but is not limited to, cases in which an individual has withdrawn or modified an authorization to use or disclose PHI.

- g. **Retention of PHI.** Notwithstanding section 4.a. of this Addendum, Associate and its subcontractors or agents shall retain all PHI pursuant to state and federal law and shall continue to maintain the PHI required under Section 3.f. of this Addendum for a period of six (6) years after termination of the Agreement, or longer if required under state law.
- h. **Agent's, Subcontractor's Compliance.** The Associate shall notify the Agency of all subcontracts and agreements relating to the Agreement, where the subcontractor or agent receives PHI as described in section 2.a. of this Addendum. Such notification shall occur within 30 (thirty) calendar days of the execution of the subcontract and shall be delivered to the Agency Procurement Officer. The Associate will ensure that any of its subcontractors, to whom it provides any of the PHI it receives hereunder, or to whom it provides any PHI which the Associate creates or receives on behalf of the Agency, agree to the restrictions and conditions which apply to the Associate hereunder. The Agency may request copies of downstream subcontracts and agreements to determine whether all restrictions, terms and conditions have been flowed down. Failure to ensure that downstream contracts, subcontracts and agreements contain the required restrictions, terms and conditions may result in termination of the Agreement.
- j. **Federal and Agency Access.** The Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI, as well as the PHI, received from, or created or received by the Associate on behalf of the Agency available to the U.S. Secretary of Health and Human Services consistent with 45 CFR § 164.504. The Associate shall also make these records available to Agency, or Agency's contractor, for periodic audit of Associate's compliance with the Privacy and Security Rules. Upon Agency's request, the Associate shall provide proof of compliance with HIPAA and HITECH data privacy/protection guidelines, certification of a secure network and other assurance relative to compliance with the Privacy and Security Rules. This section shall also apply to Associate's subcontractors, if any.
- k. **Security.** The Associate shall take all steps necessary to ensure the continuous security of all PHI and data systems containing PHI. In addition, compliance with 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII is required, to the extent practicable. If Associate chooses not to adopt such methodologies as defined in 74 FR 19006 to secure the PHI governed by this Addendum, it must submit such written rationale, including its Security Risk Analysis, to the Agency Procurement Officer for review prior to the execution of the Addendum. This review may take up to ten (10) days.
- l. **Notification of Breach.** During the term of this Addendum, the Associate shall notify the Agency and, unless otherwise directed by the Agency in writing, the WV Office of Technology immediately by e-mail or web form upon the discovery of any Breach of unsecured PHI; or within 24 hours by e-mail or web form of any suspected Security Incident, intrusion or unauthorized use or disclosure of PHI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. Notification shall be provided to the Agency Procurement Officer at [www.state.wv.us/admin/purchase/vrc/agencyli.htm](http://www.state.wv.us/admin/purchase/vrc/agencyli.htm) and,

unless otherwise directed by the Agency in writing, the Office of Technology at [incident@wv.gov](mailto:incident@wv.gov) or <https://apps.wv.gov/ot/ir/Default.aspx>.

The Associate shall immediately investigate such Security Incident, Breach, or unauthorized use or disclosure of PHI or confidential data. Within 72 hours of the discovery, the Associate shall notify the Agency Procurement Officer, and, unless otherwise directed by the Agency in writing, the Office of Technology of: (a) Date of discovery; (b) What data elements were involved and the extent of the data involved in the Breach; (c) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data; (d) A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized; (e) A description of the probable causes of the improper use or disclosure; and (f) Whether any federal or state laws requiring individual notifications of Breaches are triggered.

Agency will coordinate with Associate to determine additional specific actions that will be required of the Associate for mitigation of the Breach, which may include notification to the individual or other authorities.

All associated costs shall be borne by the Associate. This may include, but not be limited to costs associated with notifying affected individuals.

If the Associate enters into a subcontract relating to the Agreement where the subcontractor or agent receives PHI as described in section 2.a. of this Addendum, all such subcontracts or downstream agreements shall contain the same incident notification requirements as contained herein, with reporting directly to the Agency Procurement Officer. Failure to include such requirement in any subcontract or agreement may result in the Agency's termination of the Agreement.

- m. **Assistance in Litigation or Administrative Proceedings.** The Associate shall make itself and any subcontractors, workforce or agents assisting Associate in the performance of its obligations under this Agreement, available to the Agency at no cost to the Agency to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the Agency, its officers or employees based upon claimed violations of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inaction or actions by the Associate, except where Associate or its subcontractor, workforce or agent is named as an adverse party.

#### 4. Addendum Administration.

- a. **Term.** This Addendum shall terminate on termination of the underlying Agreement or on the date the Agency terminates for cause as authorized in paragraph (c) of this Section, whichever is sooner.
- b. **Duties at Termination.** Upon any termination of the underlying Agreement, the Associate shall return or destroy, at the Agency's option, all PHI received from, or created or received by the Associate on behalf of the Agency that the Associate still maintains in any form and retain no copies of such PHI or, if such return or destruction is not feasible, the Associate shall extend the protections of this Addendum to the PHI and limit further uses and disclosures to the purposes that make the return or destruction of the PHI infeasible. This shall also apply to all agents and subcontractors of Associate. The duty of the Associate and its agents



and subcontractors to assist the Agency with any HIPAA required accounting of disclosures survives the termination of the underlying Agreement.

- c. **Termination for Cause.** Associate authorizes termination of this Agreement by Agency, if Agency determines Associate has violated a material term of the Agreement. Agency may, at its sole discretion, allow Associate a reasonable period of time to cure the material breach before termination.
- d. **Judicial or Administrative Proceedings.** The Agency may terminate this Agreement if the Associate is found guilty of a criminal violation of HIPAA. The Agency may terminate this Agreement if a finding or stipulation that the Associate has violated any standard or requirement of HIPAA/HITECH, or other security or privacy laws is made in any administrative or civil proceeding in which the Associate is a party or has been joined. Associate shall be subject to prosecution by the Department of Justice for violations of HIPAA/HITECH and shall be responsible for any and all costs associated with prosecution.
- e. **Survival.** The respective rights and obligations of Associate under this Addendum shall survive the termination of the underlying Agreement.

#### 5. General Provisions/Ownership of PHI.

- a. **Retention of Ownership.** Ownership of the PHI resides with the Agency and is to be returned on demand or destroyed at the Agency's option, at any time, and subject to the restrictions found within section 4.b. above.
- b. **Secondary PHI.** Any data or PHI generated from the PHI disclosed hereunder which would permit identification of an individual must be held confidential and is also the property of Agency.
- c. **Electronic Transmission.** Except as permitted by law or this Addendum, the PHI or any data generated from the PHI which would permit identification of an individual must not be transmitted to another party by electronic or other means for additional uses or disclosures not authorized by this Addendum or to another contractor, or allied agency, or affiliate without prior written approval of Agency.
- d. **No Sales.** Reports or data containing the PHI may not be sold without Agency's or the affected individual's written consent.
- e. **No Third-Party Beneficiaries.** Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than Agency, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- f. **Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provisions in this Addendum. The interpretation of this Addendum shall be made under the laws of the state of West Virginia.
- g. **Amendment.** The parties agree that to the extent necessary to comply with applicable law they will agree to further amend this Addendum.
- h. **Additional Terms and Conditions.** Additional discretionary terms may be included in the release order or change order process.

AGREED:

Name of Agency: \_\_\_\_\_

Name of Associate: Penn Credit Corporation

Signature: \_\_\_\_\_

Signature: 


Title: \_\_\_\_\_

Title: Treasurer

Date: \_\_\_\_\_

Date: November 20, 2014

Form - WVBA-012004  
Amended 06.26.2013

APPROVED AS TO FORM THIS 26th  
DAY OF Jan 20 15  
BY   
Patrick Morrisey  
Attorney General



#### Appendix A

(To be completed by the Agency's Procurement Officer prior to the execution of the Addendum, and shall be made a part of the Addendum. PHI not identified prior to execution of the Addendum may only be added by amending Appendix A and the Addendum, via Change Order.)

Name of Associate: Penn Credit Corporation

Name of Agency: All State Agencies

Describe the PHI (do not include any actual PHI). If not applicable, please indicate the same.

Any PHI that may be disclosed through the use of this contract, and debt collection activities.