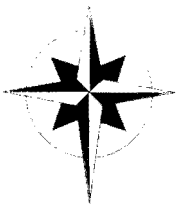

Portfolio Recovery Associates, Inc.

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10-BK-019

February 16, 2011

Mr. Peter G. McCabe, Secretary
Committee on Rules of Practice and Procedure
Administrative Office of United States Courts
Washington, DC 20544

Re: Proposed Amendments to Bankruptcy Rule 3001

Dear Mr. McCabe:

I am writing on behalf of Portfolio Recovery Associates, Inc ("PRA") in response to the Proposed Amendments to Bankruptcy Rule 3001. PRA applauds the Committee for its recent revision suggestions to Bankruptcy Rule 3001, which indicate that the Committee took prior public comment to heart. We appreciate the opportunity to submit these additional thoughts.

PRA, through its wholly-owned subsidiaries, Portfolio Recovery Associates, LLC and PRA Receivables Management, LLC, is a leading purchaser and manager of portfolios of defaulted and bankrupt consumer receivables. In connection therewith, PRA files thousands of proofs of claim each year and thus has a keen interest in any proposed changes to this process.

Other parties have previously commented on (a) the apparent lack of any comprehensive data before the committee that supports the need for the proposed changes, and (b) how the proposed changes seem to conflict with certain provisions of the Bankruptcy Code (particularly sec. 502(b)). PRA agrees with both of these comments and incorporates them by reference herein. More troubling however is that the proposed amendments, as drafted, are likely to cause more confusion and litigation, which stands in stark contrast to the proposed intent of the changes. Below is a discussion of issues and suggestions that follow the order of the proposed amendment.

Section (3)(A)(iii) should either be deleted in its entirety or revised to define what is meant by the term "transaction". Without such clarification, the term would be subject to a wide range of interpretations, setting the stage for differing treatment from court to court or even judge to judge. This clearly is not what the Committee intended, but is the logical outcome if such a generic term remains undefined. PRA submits that with date of last payment and date of charge-off already being provided, no additional chronological information should be necessary for a debtor to be able to identify an account.

Section (3)(A)(iv) should be revised to provide for the possibility that no payment has ever been made. As currently drafted, the proposed amendment presupposes that a payment has

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been made on every account that claims are filed on. This section should simply be revised as follows: "The date of the last payment, *if any*, on the account".

PRA believes that if a creditor is able to comply with the provisions of the proposed Bankruptcy Rule 3001(c)(3), such claim should be given *prima facie* validity, thereby shifting the burden of proof on any claim objection to the debtor. Without such *prima facie* validity, creditors (and therefore Bankruptcy Courts) are likely to be inundated with a wave of claim objection litigation.

This litigation wave is likely to be bolstered by the proposed Bankruptcy Rule (c)(3)(B), which as written, allows a debtor to ignore (a) the information contained in a proof of claim that is filed in compliance with the Bankruptcy Rules, and (b) the fact that he or she scheduled that same claim. If the creditor and debtor take those steps there should be little need for the debtor to demand that the creditor provide a copy of the writing upon which the claim is based, or an affidavit explaining that such writing has been lost or destroyed. While PRA has no objection to providing debtors with the information necessary to identify the accounts implicated by proofs of claim, we strongly believe that the proposed amendments, as drafted will do little to enhance a debtor's recognition of accounts. Rather, the new requirement is likely to be nothing more than a boon to debtors' attorneys, who almost singularly stand to benefit from the available sanctions provisions, and an unnecessary burden on Bankruptcy Courts.

In closing, while PRA does not believe there is any compelling evidence before this Committee that would require the changes mandated by the proposed new rule, we recognize that some form of amendment is likely and urges the Committee to only approve an amendment that addresses the concerns and suggestions discussed above.

Thank you again for the time and consideration that you have given to these amendments and PRA's comments thereto. Please feel free to contact us if you have any questions or concerns about the contents of this letter.

Respectfully Submitted,

Portfolio Recovery Associates, Inc.
Christopher D. Lagow, Senior Counsel