

10/10/2008

Collection Services for Accounts Receivable Contract PF-284-60

**COLLECTION FEES FOR RENEWAL PERIOD**  
**10/12/2008 THROUGH 10/11/2009**

The collection fees shown below represent the percentage charged to the Commonwealth only on amounts for which the Contractor collects.

**IMPORTANT:** The Department of General Services, Division of Purchases and Supply, recommends that agencies and other public bodies use the "net back recovery rate" as one of their measures of Contractor performance. Net back recovery rate is defined as the net dollars returned to the Commonwealth. The formula is: (Total dollars collected minus collection fees) divided by total dollars placed.

For example: \$100,000 in past-due accounts are placed with the Contractor; the Contractor collects \$20,000; the collection fee is 12%, which amounts to \$2,400.

The net back recovery rate is:  $(\$20,000 - \$2,400) / \$100,000 = \$17,600 / \$100,000 = 17.6\%$  net back recovery rate.

**1. Perkins Loans:**

<b>Account Range</b>	<b>NCO Collection Fee</b>	
Accounts less than \$100	14.5%	
Accounts between \$100 and \$999.99	14.5%	
Accounts between \$1,000 and \$2,999.99	14.5%	
Accounts between \$3,000 and \$10,000	14%	
Accounts \$10,000 and above	9%	

**2. Other Government Student Loans:**

<b>Account Range</b>	<b>NCO Collection Fee</b>	
Accounts less than \$100	14.5%	
Accounts between \$100 and \$999.99	14.5%	
Accounts between \$1,000 and \$2,999.99	14.5%	
Accounts between \$3,000 and \$10,000	14%	
Accounts \$10,000 and above	9%	

**3. Other Loans:**

<b>Account Range</b>	<b>NCO Collection Fee</b>	
Accounts less than \$100	15%	
Accounts between \$100 and \$999.99	14%	
Accounts between \$1,000 and \$2,999.99	12%	
Accounts between \$3,000 and \$10,000	10%	
Accounts \$10,000 and above	9%	

**4. Pharmacy and Medical Charges:**

<b>Account Range</b>	<b>NCO Collection Fee</b>	
Accounts less than \$100	18%	
Accounts between \$100 and \$999.99	15%	
Accounts between \$1,000 and \$2,999.99	12%	
Accounts between \$3,000 and \$10,000	10%	
Accounts \$10,000 and above	9%	

**5. Child Support:**

<b>Account Range</b>	<b>NCO Collection Fee</b>	
Accounts less than \$100	9.25%	
Accounts between \$100 and \$999.99	9%	
Accounts between \$1,000 and \$2,999.99	8%	
Accounts between \$3,000 and \$10,000	7.5%	
Accounts \$10,000 and above	7%	

**6. Tax:**

<b>Account Range</b>	<b>NCO Collection Fee</b>	
Accounts less than \$100	15%	
Accounts between \$100 and \$999.99	12%	
Accounts between \$1,000 and \$2,999.99	11%	
Accounts between \$3,000 and \$10,000	10%	
Accounts \$10,000 and above	9%	

**7. All Other Types of Accounts:**

**For educational entities who refer business accounts to NCO Education Services, entities will continue to be charged 10%, falling under category "7. All Other Types of Accounts", for all accounts up to \$10,000. Accounts \$10,000 and above will be 9%. For all other entities, the following percentages will be charged:**

<b>Account Range</b>	<b>NCO Collection Fee</b>	
Accounts less than \$100	15%	
Accounts between \$100 and \$999.99	12%	
Accounts between \$1,000 and \$2,999.99	11%	
Accounts between \$3,000 and \$10,000	10%	
Accounts \$10,000 and above	9%	

**8. Execution of Lien/Levy/Garnishments:** Execution of lien/levy/garnishments on behalf of the collection contractor will be determined on an agency by agency basis. If authorized by the individual agency, the collection fee will be based on the following:

For all the collection fee rates provided above, in cases where the Contractor locates debtor assets after the account is referred, and where the Commonwealth executes a lien/levy/garnishment at the request of the Contractor, and if authorized by the individual agency, the Contractor will

discount the above rates by the following percent:

**50 percent**

**9. Customized Programming** (when requested by an agency):

**\$48.00 per hour**

**10. Special Credit Reporting:**

Fees will apply only when these special reports are specifically requested by an agency.

Special credit reporting is available from **\$0.52 to \$1.85 per account.**