



September 5, 2018

To: Transunion, Equifax, Experian, and CDIA,

I am sending this letter to gain resolution on the issue of debt buyers and other furnishers (to include third party collection agencies and other collection companies used by lenders) deleting tradelines in violation of the Metro-2 Format ("Metro2"), which is the required reporting standard incorporated into the contracts that every furnisher of information to TransUnion, Equifax and/or Experian (together, the "Bureaus") agrees to. I am again asking that you either enforce the standards dictated by Metro2 or amend your standard to permit (or at least not expressly prohibit) tradeline deletion in exchange for payment.

We have spoken with most of you regarding what has become a matter of normal course of business for the debt buying industry and the collection agency market — the practice of Credit Bureau tradeline deletion for payment or settlement of account. For your reference, I have attached a copy of the email I sent to the CEOs of the Bureaus a few months ago. Since then, I have had other communications with you and/or with your organizations to resolve this matter. However, no progress has been made and, as a result, my company is not competing on a level playing field solely because we are abiding by Metro2, as required by each of the Bureaus.

The lack of response continues to negatively impact PRA, as our number of complaints with the Bureau of Consumer Financial Protection (BCFP) is increasingly driven by the fact that we seem to be the only debt buyer not deleting tradelines for payment. Since our competitors do offer this option, our customers get frustrated and then dispute and/or complain to the BCFP that we do not. I cannot let this persist, as it not only impacts my company's reputation with regulators and customers, but also allows our competitors to benefit from offering a material incentive to customers that explicitly violates Metro2.

The failure of the Bureaus to enforce their own requirement is creating a data integrity issue that may prove extremely harmful to parties who rely on such information in making lending decisions.

We have spent the past 5 months reaching out to you and other stakeholders expressing concern about this practice, but that effort has not yielded results. We now are forced to assume that you do not agree with us that the Pay for Deletion practice is a systemic risk to the financial system by corrupting the integrity of your credit reporting data. Therefore, PRA will adopt a Pay for Deletion policy, effective October 1, 2018. Upon adoption, our new policy will result in just under 3 million tradelines being deleted from the Bureaus' systems immediately, and millions more as the years go by.

To reiterate, I need you to enforce your Metro2 standard or amend it before October 2018 at which time we will adopt the Pay for Deletion policy.

Please do not hesitate to contact me to discuss your plans. You can reach me directly at (757) 961-3503.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Stevenson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kevin Stevenson

President, CEO

PRA Group, Inc. (Nasdaq: PRAA)

cc: Board of Governors of the Federal Reserve System
Federal Reserve Bank of New York
Federal Trade Commission
Bureau of Consumer Financial Protection
Office of the Comptroller of the Currency
American Bankers Association
Virginia Bankers Association

Out of respect for your time, I will be succinct and organized.

Who am I / Who is PRA Group:

My name is Kevin Stevenson, I am CEO and a founder of PRA Group (NASDAQ: PRAA).

Founded in 1996, we purchase about \$6 billion (face amount) annually in non-performing (charged off) loans in the U.S. alone. We own nearly 50 Million accounts in the United States, and operate in an additional 15 countries across the globe.

We purchase data from XXXXXXXXX as well as furnish data via Metro 2.

The Problem:

Our debt buying competitors are deleting tradelines from the Credit Bureaus upon payment or settlement in full. As you are likely aware, **this is a clear violation of the Metro 2 standard.**

For your reference, Encore Capital (NASDAQ: ECPG) announced this policy over a year ago: <https://www.encorecapital.com/?press-release=encore-capital-group-enhances-credit-reporting-policy-help-consumers>.

Unfortunately, due to inaction from the credit bureaus and CDIA, other debt buyers have adopted this “pay for deletion” model, while we, out of deference to the Metro 2 standards, have not.

We respect the integrity of the credit bureau data as well as our contractual agreement to abide by the Metro 2 format.

Please understand that when these tradelines are deleted by debt buyers there is NO record anywhere of that charged off account, as all sellers, except for one, delete the tradeline upon sale.

The Solution:

The Credit Bureaus need to:

- a) begin enforcing Metro 2 standards or
- b) modify them to allow “pay for deletion”.

I don't believe the latter is a good idea as I expressed to the CDIA on 4/25/18 (see attached)

My outreach:

I am aggressively reaching out to your credit bureau peers, the CDIA, Board of Governors of the Federal Reserve, CFPB, OCC, and FTC to resolve this situation.

Please take a moment and review the attachments. Included is the handout I took with me when I met with Francis Creighton in April, as well as my response to the CDIA after that meeting. I have also attached a redacted customer letter. We receive this type of letter every day and if you were to ask our collectors, they will tell you that customers ask for these tradeline deletions during most of their phone calls.

I would appreciate the opportunity to discuss this situation at your earliest convenience. I will make time in my schedule to fit yours.

Best,

Kevin Stevenson
PRA Group (Nasdaq: PRAA)