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## Asset Acceptance Capital Corp. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator instructions) Our first question comes from Mark Hughes with SunTrust.

#### Mark Hughes – SunTrust

Thank you very. To what extent did not transition the more agency collections hurt your performance in the quarter. I think you've alluded to it. Did you try to calculate any rough numbers?

#### Brad Bradley

Mark, actually you witnessed so much the movement. It was the end of capacity of our existing recourse [ph] level that caused us not to get as much cash collections as we had hoped. We just hit the saturation point and then the lead time to push it out. So we didn't specifically quantify what that number was.

#### Mark Hughes – SunTrust

Okay. What has been the trend lately as you've pursued these agreements – the commissions that you're paying, I think, you said that the profitability on these collections was comparable to your norm. How have the commission rates been in this kind of alter [ph] market, tough collections, how much are these agencies charging?

#### Brad Bradley

Yes. They are holding steady right now. We aren't seeing inflation but there clearly is pressure as new charge-offs are hitting the market. We are seeing some discussions and pressure but he haven't seen anything flow through in our current agreements that is causing that. And obviously, there is a wide spectrum in the cost associated with those fees depending upon the type of paper. If you are pushing out past ad [ph] versus fresh paper, there are different pieces associated with it relative to the amount of work that needs to be applied to each of those paper values. So it's a wide average and we are not seeing it dramatically change.

#### Mark Hughes – SunTrust

Do you feel like the capacity out there is constrained to do this kind of work?

#### Brad Bradley

Right now, we're not. And that is one of things that we really focused on as we rationalized our existing network. We brought on to new resource, a new partners, and we really focused to place better volumes of more predictable placements and higher paper values to really lock in the partners that we are using and ensure that we get our fair share of that capacity. So right now, we are not seeing of that. That is why we are monitoring closely to make sure we don't become impinged by more volume in the system.

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