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## Portfolio Recovery Associates Exiting Third-Party Collections Business

Portfolio Recovery Associates Exiting Third-Party Collections Business NORFOLK, VA, May 16, 2008 -- Portfolio Recovery Associates, Inc. (NASDAQ: PRAA), a company that purchases, collects and manages portfolios of defaulted consumer receivables and provides a broad range of accounts receivable management services, today announced that it will exit the business of contingent fee third-party portfolio collections overseen by its Anchor Receivables Management unit.

The Company will redeploy the Anchor staff of about 100, which is located in its Norfolk and Birmingham, Ala., facilities, to its core owned-portfolio collections business. No job losses are expected.

Portfolio Recovery Associates' decision to exit the contingent fee third-party collections business was driven by the opportunity to redeploy the Anchor collections staff to the more profitable, rapidly expanding business of owned-portfolio collections. The fee-based, third-party collections business was responsible for just 2% of the Company's first-quarter 2008 revenue and less than 0.5% of net operating income for the period.

"Portfolio Recovery Associates has decided to exit the business of collecting on contingency fee third-party portfolios overseen by Anchor Receivables Management and redeploy these highly trained collectors to our core owned-portfolio business. In this capacity, they will be able to make a far more significant contribution to our Company's growth and profitability. The third-party collections business has remained a very small contributor to net income during a period in which we have made substantial portfolio acquisitions. We feel the time is right to make this move, and we look forward to great achievements from these collectors on the owned-portfolio front," said Steven D. Fredrickson, Chairman, President and Chief Executive Officer.

Portfolio Recovery Associates remains pleased with and fully committed to its other two fee-for-service businesses, RDS and IGS Nevada. The Company will work with existing Anchor clients over the coming weeks to wind down existing collections efforts. Portfolio Recovery Associates launched its third-party collections business in 2000 using internal resources and existing facilities. The Company expects no material impact to its financial results as a result of the action being taken with Anchor.

About Portfolio Recovery Associates, Inc.

Portfolio Recovery Associates is a full-service provider of outsourced receivables management and related services. The Company's primary business is the purchase, collection and management of portfolios of defaulted consumer receivables. These are the unpaid obligations of individuals to credit originators, which include banks, credit unions, consumer and auto finance companies, and retail merchants. Portfolio Recovery Associates also provides a broad range of collection services, including revenue administration for government entities through its RDS business, collateral-location services for credit originators via IGS Nevada, and fee-based collections through Anchor Receivables Management.

Statements herein which are not historical, including Portfolio Recovery Associates' or management's intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future, including statements with respect to future contributions of IGS Nevada and RDS to earnings and future portfolio-purchase opportunities, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include references to Portfolio Recovery Associates' presentations and web casts. The forward-looking statements in this press release are based upon management's beliefs, assumptions and expectations of the Company's future operations and economic performance, taking into account currently available information. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties, some of which are not currently known to us. Actual events or results may differ from those expressed or implied in any such forward-looking statements as a result of various factors, including the risk factors and other risks that are described from time to time in the Company's filings with the Securities and Exchange Commission including but not limited to its annual reports on Form 10-K, its quarterly reports on Form 10-Q and its current reports on Form 8-K, filed with the Securities and Exchange Commission and available through the Company's website, which contain a more detailed discussion of the Company's business, including risks and uncertainties that may affect future results. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Information in this press release may be superseded by more recent information or statements, which may be disclosed in later press releases, subsequent filings with the Securities and Exchange Commission or otherwise. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or to reflect any change in events, conditions or circumstances on which any such forward-looking statements are based, in whole or in part.

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