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CBE expansion to add 200 jobs in Waterloo

By JOEL PALMER, Courier Business Editor

WATERLOO --- A local debt recovery agency has landed a major federal contract, and will be adding 400 workers over the next 18 months.

The CBE Group Inc. was awarded a student loan collection contract from the U.S. Department of Education. CBE will be one of several private collection agencies to recover debts owed on government student loans, such as those through the Perkins Loan Program.

"The ED contract is the single largest and most sought after contract in our industry, and CBE went head-to-head with some of the best agencies in the nation to win it," said company president Tom Penaluna, who joined the firm in 1979 and became sole owner in 1986.

To handle the workload, CBE is immediately hiring 200 workers for its Waterloo office, about half of those coming by the end of the year. An additional 200 workers split between Waterloo and CBE's West Des Moines facility will be hired over the next 18 months. The added positions will nearly double CBE's current employment of 423.

"I'm thrilled that we're able to bring so many good job opportunities to Waterloo and Des Moines, and I think this is just the beginning of a great period of expansion for our company," said Penaluna. "We have prepared for this growth for several years now, and we're poised to continue growing by leaps and bounds."

CBE is also building a \$4.6 million, 20,000-square-foot office near Tower Park on San Marnan Drive, where the company occupies 37,000 square feet. Lockard Development will begin construction in December with completion scheduled for August 2005.

"Because of the foresight and perseverance of Mayor (Tim) Hurley, and the creativeness of Ken Lockard and the Cedar Valley Alliance, CBE is able to expand in Waterloo," said Penaluna. "CBE was founded in Waterloo back in 1933 and it only makes sense that this metropolitan area would be the first to benefit from our success."

The ED contract will require 190 staff positions and 25 management employees. Company officials said the majority of new hires will work in its collections departments, with base wages starting at \$9 to \$11 an hour. With incentives and commissions, CBE anticipates full-time employees working on the ED contract will earn an average of \$17 an hour.

CBE has been planning for this growth for several years. In 1999, the company founded a subsidiary called Student Loan Counseling Service Inc., which provides default prevention services for student loan guaranty agencies. In 2000, the company acquired Valley Acceptance Corp., a Phoenix-based collection agency that specialized in education receivables. And in 2002, CBE sold its credit reporting division to focus on debt recovery.

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