

LABOR DAY

Look at the Bright Side of Summer's End

Many people consider Labor Day to be the end of the summer. For some, the season's end is a devastating prospect, and perhaps most especially for those whose winter climates often come with threats of blizzards, icy roads, or subzero temperatures.

Don't let Labor Day Blues ruin your outlook for the coming Fall.

Labor Day also happens to fall at that time of year when summer laziness shockingly awakens to the reality of harried schedules, school projects, sports and music practices and homework.

Don't let Labor Day blues ruin your outlook for the coming Fall. To make the most of the transition, let this mark on the calendar serve as your crossroads—one by which annually you will set out to prepare for the year ahead as you look back on what you have done and still need to do. Take time to reflect now on the following:

What did you mean to do that you never got around to? Once that question's answered, determine to turn it into a goal. Make a note for next

year's calendar to, for example, visit the museum, plant a vegetable garden, organize the hall closet, etc.

How was work? Did you accomplish your goals or was your focus during those summer days more on the weekend cookout or baseball game? If the latter, how can you learn from your mistakes to make the most of your workdays next summer?

Labor Day weekend is also a great time to plan for the next few months. Go ahead and write them on the family calendar. Consider a ride or hike for leaf

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watching or visit an apple farm. You might be lucky enough to live in the migratory pattern of birds or butterflies. Check with your state parks to see if they hold festivals.

Labor Day weekend ... what better time to say goodbye to summer while also planning for the busyness of the coming fall and winter.

Retirement at sixty-five is ridiculous. When I was sixty-five I still had pimples.

Comedienne/Actor
George Burns

SPOTLIGHT THIS!

3RD ANNUAL CREDIT AND COLLECTION NEWS CONFERENCE

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For Whom ?

Mid-to upper-level management from banks, credit unions, collection agencies, credit card issuers, finance companies, collection attorneys, debt buyers, private label issuers and other credit associates.

For more info or to register, call 1-800-331-3112.



NEWS TO USE



Propelled by rising debt and falling home values, Minnesotans are filing for Chapter 7 or Chapter 13 protection from creditors in far larger numbers than last year. Their ranks have climbed by 60 percent so far this year, compared with the same period in 2006. Nationally, bankruptcy filings rose 66 percent during the first three months of 2007. In years past, the most often-cited forces behind bankruptcy filings were layoffs, divorces or unexpected medical bills. The troubled mortgage market now leads the list, experts say.

Source: *Star Tribune*

The Association of Credit and Collection Professionals (ACA) recently revealed its updated Code of Ethics, with provisions affecting collectors and debt buyers. Specifically, Rule II A states: In addition to a continuing duty to adhere to the requirements of any applicable laws, regulations and rules concerning credit and collection industry practices, each Member has a duty to: (7) seek to obtain access to accurate and complete information about any accounts being purchased by the Member and obtain evidence of the chain of title to the debts being purchased.

The updated Code was adopted to maintain the balance between the needs of the industry's changing marketplace, the needs of the public and of the credit and collection industry as a whole. Visit acainternational.org to view the complete ACA Code of Ethics.

SSSHHHHH . . .

Let Us Pause

"Hello, Mr. Buyer, I'm calling from ABC Corporation regarding your \$300 past-due balance. What do you say we get that taken care of now so you don't have to hear from me again?"

(Pause.)

You spoke it all firmly, and with an audible smile, but the message is undeniable. Mr. Buyer needs to pay. The pause you so skillfully injected indicates it's the debtor's turn to speak, and speak he should. The pause, in fact, is even more important than the words you utter before it. Opening remarks are as varied as there are people to speak them, but the one thing every collector needs to use afterwards is a pause.

Silence, as they say, can be golden.

But how, you might ask? For starters, by remaining silent a few seconds after stating your request, the debtor quickly understands that the ball has been placed in his court and it's time to swing back. Additionally, your pause affords the debtor the opportunity to consider what you just said. Few

people are able to listen and think ahead at the same time. Your silence gives the debtor time to digest what was said and to think ahead to the proper response. To your advantage, silence also prevents you from making incorrect assumptions. If the check has been mailed, the debtor will say so

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then before you recite any ramifications.

Most importantly, perhaps, the proverbial pause communicates to the debtor that you are willing to listen. Not only will Mr. Buyer realize, then, that you're in a position to help him, but he'll also recognize that you are in control of the conversation.

All that, from a pause! Who said we need to ramble in order to get our points across?

SKIPTRACING 101

Finding and Recording Information

You may know that the key to locating a debtor and his/her collateral depends upon how information is obtained and analyzed. Maintaining accurate records is essential, especially to avoid duplication when an account is traced more than once.

Among the items of information you will need to gather in order to help with your skiptrace are the following:

- ✘ Credit application;
- ✘ Collection call reports regarding the debtor and any conversations others might have had with him;
- ✘ Correspondence to and from the debtor;
- ✘ Returned envelopes (with Post Office detailed information); and
- ✘ Seemingly insignificant pieces of paper that appear to bear no more than scribbles, but actually contain such valuable information as relatives' names, former neighbors, past employers, etc.

Once assembled in chronological order, take the time to study the information and focus on what you understand to be the most pertinent clues. Information that might be found on one's credit application, for example, would indicate whether the debtor is male or female, his/her middle initial and any nicknames or former last names. The debtor's age, last-known address and areas of employment also may be ascertained by studying credit applications.

Armed with an array of details, your chances of putting together the pieces of a debtor's puzzle may begin to come together. In this day of high technology, a good number of people maintain the same phone number even when they move out of state. By testing the waters and making calls or writing letters to last-known addresses and phone numbers, you may be on the way to finding your skip.

See sidebar below for skip tips designed to make your job easier.



TIPS ON SKIPS

Keep the following details handy for the next time it appears your debtor's fled the scene. One good lead after another could bring you to a successful ending. For example:

- ✘ Debtor's phone disconnected? Call the Information Operator. If the debtor's still in the vicinity, he may have a new listing under his or his spouse's name.
- ✘ Was your letter to the debtor returned "Moved, no longer at this address"? Address another correspondence to the same (last-known) address, only this time indicate on the front "Address Correction Requested." If the debtor's left instructions with the Post Office for forwarding mail, you will be notified.
- ✘ Cosigners are responsible for the debt. Reminding them of that fact may prove to be all the motivation they need in order to provide you with the skip's whereabouts.
- ✘ Try other creditors. Sometimes a debtor who has skipped on his debt to you may be making payments on debts to other creditors. If those creditors refuse to provide you with a current address or employer name, ask for additional creditors or references the debtor may have listed on his application.
- ✘ Contact the Motor Vehicle Department in the state that assigned the debtor's Social Security Number for information on driver's licenses, any motor violations and vehicles registered to his name. Most states charge a small fee to determine whether the debtor registered a vehicle and, if so, he/she may also have listed a new address.

YOU MAKE THE CALL

Improving Phone Techniques

The avenues by which collectors today reach debtors are vast, ranging from regular billings, follow-up letters and “final warnings” to telephone communications—the latter of which prevails as the most successful collection tool available. Statistics show that phone calls and the personal touch far outweigh other collection techniques, grabbing debtors’ attention even more effectively than a letter detailing potential legal ramifications.

Done skillfully, and in accordance with government regulations, debt collectors’ phone communications offer all the benefits enjoyed by sales and customer service departments worldwide. The key is in getting debtors to actually pick up the phone, something that happens—or doesn’t happen—as a result of the collector’s initial approach.

To make the most of your collection calls, follow these tips:

develop a friendly, courteous tone and make it a part of who you are (without sounding “plastic” or cold);

cultivate a sincere willingness to help debtors. Put yourself in their shoes and try to envision how they must feel on the receiving end of your calls.

judge not! There may be truly heartbreaking factors behind the debtor’s inability to pay;

ask the debtor politely, and without any hint of sarcasm, “Is there a problem behind your inability to pay?” followed by, “How can I help?”

make it clear you are more than willing to work with them—even if it means setting up a smaller payment than your client might like.

Keep in mind: the object is to get paid. Demanding more than a debtor can comfortably afford often leads to failure.

HELPING CLIENTS HELP YOU!

Accurate Information NOW Avoids Problems Later

Over the years, past-due accounts have gained in frequency. That’s good news, of course, for debt collectors—until they meet with accounts that go nowhere fast because all tips and leads for locating a debtor meet with dead-ends. Here are a few things you can do now to ensure that your clients’ accounts don’t suffer in the future.

Because you need more than anything to ensure that your clients’ debtors do not become unreachable skips, take the time to schedule regular meetings with the credit departments you serve and ensure they are:

- Updating borrower information the same day it is learned;
- Completing credit applications COMPLETELY (leaving no line blank, especially the section on relatives and their contact information);
- Listening carefully—keeping accurate notes of details the borrower may mention, such as a new job, address or phone number, union affiliation, or revised bank account information.
- Verifying and comparing borrowers’ information with the details maintained in your records.
- Noting and dating all credit inquiries and all debtor tracking changes.
- Comparing address information in their files with addresses given by the firm requesting information on your debtor.
- Ensuring that the person assigned to accepting payments always verifies address, employment and telephone information EVERY TIME a payment is made.



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