

The Collector Chronicle

NORTH AMERICAN RECOVERY

OCTOBER 2017

AMERICA'S COLLECTION AUTHORITY

LAST MONTH'S LUCKY WINNER

The lucky winner of our client prize for September is Rocky Mountain Therapy Services. They have been using our agency since March this year! We will be sending Lisa a \$100 Visa gift card! Enjoy!

**Visa
Gift Card**

THIS MONTH'S PRIZE

This month we will be giving away two tickets to the Utah Jazz or the Denver Nuggets!

Each client who sends new accounts during the month of October will have their name entered into a drawing. At the end of the month, we will draw a name. If it's yours, you'll win the prize.

***Don't miss out on your chance to win.
Send new accounts in October!
Good Luck!!***

***Utah Jazz
Denver Nuggets***

IS THERE ANYTHING I CAN DO TO HELP?

By: DAVID J. SAXTON

PRESIDENT, NORTH AMERICAN RECOVERY

When a prospective client is considering using our agency, they usually have a few questions. These questions range from "What's your commission rate?" to "What if someone moves to a different state? What can you do?" However, the question I wanted to discuss in this month's newsletter is: "Is there anything I can do to help the collection process?"

The short answer is yes. But that would make for a boring article, so I'll keep going. ☺ However, before I talk about what a client can do to help the collection process, I want to share some insight.

When I first started as a collector nearly 30 years ago, I was young and naive. My parents always paid their bills, so I just assumed everyone else did. But I was in for a shock. When I saw the number of unpaid accounts, I was baffled by the fact that so many people didn't pay their bills.

As I became more experienced, I discovered that not only did people not pay their bills, they also moved all the time and changed jobs with the seasons. I learned that, before I could even consider collecting from someone, I had to find them. This is still the case today. Sometimes it's easy, but most of the time we have to use our sophisticated skiptracing techniques to find a consumer before we can start collecting from them.

How do we do that? Well, the source of our best skiptracing information may come as a surprise. Most people think we have access to a "secret" or "special" database and it's easy to find someone. However, that's not the case. With the increase in identity theft and system breaches, most sources of information have become more difficult to obtain. And contrary to popular belief, there aren't any secret databases. Believe it or not, our best source of skiptracing information is you, our client.

When you think about it, it makes a lot of sense. If a consumer is trying to obtain credit purchase a product or service, they are willing to provide you with just almost any personal information. And *this* is why you are the best resource when it comes to collecting one of your accounts.

If a client were to ask, "Is there anything I can do to help?" I would tell them this:

1. Collect detailed personal information from the consumer during the initial transaction and update it regularly.

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2. Send the account to us when it becomes 90–120 days delinquent.
3. Send all of the information you have on the consumer when you assign the account.

Simple, right? Maybe... Let's discuss each item in more detail starting with: *"Collect detailed personal information from the consumer during the initial transaction and update it regularly."* You might be asking, "What information?" The minimums are:

- email address
- cell phone number
- social security number
- date of birth
- home address
- name of employer
- work phone number
- names and cell numbers of at least two relatives

These items are usually collected as part of your standard credit application process. If you're diligent and always make sure every customer completely fills out the application (and update it at least annually), when the account falls delinquent and is sent to us, we have everything needed to identify and locate the consumer.

Most of the forms I've seen are very good. The only problems we encounter are when customers leave large sections of the document blank. Don't let that happen.

The next item: *"Send the account when it's 90–120 days delinquent,"* is just as important. The ideal time to send an account to collections is between 90 and 120 days after the last payment or service. If you wait any longer, the chances of collecting the account are greatly reduced. I know it's tempting to wait another month before sending the account with the hopes that *"maybe they'll pay,"* but you have to resist that temptation. The sooner we start working the account, the sooner we'll collect it.

The last, and maybe most important item, is: *"Send all of the information you have on the consumer when you assign the account."* Why? Well, if you collect every possible bit of personal information from a consumer, and assign the account when it is 90 days delinquent—if all we receive is the consumer's name and address, it defeats the purpose.

Here is an example of what I mean. We had a prospective client ask if we could collect one of his past-

due rental accounts. The consumer had lived in one of his apartment units for about a year. The consumer disappeared one day and owed for one month's rent. This is a fairly typical situation, and we collect accounts like this all the time. We instructed the client to send the account, and we would get started right away.

A few days later, we received a package in the mail from the new client. It included a typewritten form that listed the consumer's name, address (the apartment he just moved from), and his old phone number (that was disconnected). There was also a copy of the lease and a detailed description of the charges. Sounds good, right? Well, actually, we didn't have *any* personal information for the consumer.

The documents we received did a very good job of establishing the *details of the debt* (a copy of the signed lease is a necessity, and a detail of the charges is also required); however, there wasn't one piece of personal information about the consumer. No date of birth. No social security number. No email address. No information about his employer. No references. With no other documents, this lack of information would have made finding the consumer very difficult.

In the end, everything turned out okay because we contacted the client and had him send a copy of the application, which actually had a good deal of personal information about the consumer. But without that additional document, we wouldn't have even known where to start.

Most of our clients are very good about collecting the necessary personal information from a consumer, assigning the account when it's 90–120 days delinquent, and sending us a good deal of personal information for every consumer. That's one of the reasons our recovery rate is triple the national average (36% compared to 7%).

To sum it up, make sure you obtain detailed personal information from every consumer. Then, if the account goes delinquent, send us everything you have when the account is between 90 and 120 days past due. It might take more time to do this, but I promise it will be worth it. Following these steps will ensure that we have everything necessary to provide you with the best collection services possible.

Have a great month!



The Collector Chronicle is published by NORTH AMERICAN RECOVERY for prospective and current clients. The owner, David Saxton, welcomes your questions or comments.

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