

The Collector Chronicle

NORTH AMERICAN RECOVERY

December 2014

America's Collection Authority

LAST MONTH'S LUCKY WINNER

The lucky winner of our client prize for the month of November is Christopher J Jolles MD. Congratulations! We have been working with their office for over 11 years. We will be sending Jennifer a \$100 Visa gift card. Enjoy!



THIS MONTH'S PRIZE

This month we will be giving away two all-day ski passes. Each client who sends new accounts during the month of December will have their name entered into a drawing. At the end of the month we'll draw a name, and if it's yours, you'll win the ski passes.

**Don't miss out on your chance to win;
Send new accounts in December!
Good luck!!**



FREQUENTLY ASKED QUESTIONS

BY: David J. Saxton

President, NORTH AMERICAN RECOVERY

We recently updated, expanded and enhanced our Frequently Asked Questions. I want to share the new version with everyone this month. They can also be viewed anytime on our website: [Frequently Asked Questions](#). I hope you all have a great month! Happy Holidays!

Question: What documents and/or paperwork should I send when I assign an account?

Answer: Everything. Send us a copy of everything you have on the consumer's file, but make sure this includes a minimum of: a completely filled-out information sheet and/or application, the signed agreement/contract/lease, and a complete breakdown of all charges and payments on the account.

Question: Whom do I talk to when I call your office?

Answer: Our goal is to provide you with instant, comprehensive service. Consequently, we have a team of client service representatives ready to answer your call. You aren't restricted to just one contact; anyone in our Client Service Department can help you at any time – from start to finish – and take care of your needs. If you are in the Salt Lake City calling area, dial 801-364-0777 Ext. 101. If you are outside of the Salt Lake City calling area, dial 1-800-364-6445 Ext. 101 (toll free). You can also send an email to ClientService@North-American-Recovery.com

Question: What should I do if a consumer calls or emails me after I've sent the account to you?

Answer: Tell them to call us. Inform the consumer you have assigned his or her account to North American Recovery. Let them know the account is out of your hands and they must contact our office. They can call our collection department directly by dialing 801-364-0777 (if they are in the Salt Lake

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City calling area) and selecting Option 3, or 1-800-364-6445 (toll free) Option 3. They can also send an email to: Contact@NAR-Email.com.

Question: What if a consumer asks to go back to making the monthly payments he had with us?

Answer: Tell the consumer, "I'm sorry, that is no longer an option. You need to call North American Recovery and discuss paying your account with them. We've turned the bill over to their office and all communication needs to go through them from now on. They can be reached at 801-364-0777 (if they are in the Salt Lake City calling area) and selecting Option 3, or 1-800-364-6445 (toll free) Option 3. Or you can also send an email to: Contact@NAR-Email.com."

Question: What should I do if I receive a payment on an account I've assigned to you?

Answer: Send it to us. It's much easier for everyone involved if we process the payment in our office. Sometimes the consumer will pay you an amount they believe is payment in full, however, if we've added legal costs to an account it could cause confusion. We will continue to collect any amount owed after the payment has been applied.

Question: We received a payment and the check is made out to our company. Do I need to sign it over to you before you can deposit it?

Answer: No. Our contract with you allows us to endorse the check as your agent. You can sign it over to us, but you don't have to.

Question: What should I do if a consumer attempts to make a payment on an account that was included in a bankruptcy (or is part of an open bankruptcy)?

Answer: If a consumer's bankruptcy includes your account or the consumer currently has an open bankruptcy, you should not allow him or her to pay anything other than what was ordered by the bankruptcy court. The best course of action would be to explain that to the consumer. If the consumer insists on paying, you should consult with your attorney before accepting anything, just to be safe.

Question: We received a cash payment. What should we do?

Answer: Deposit the cash and immediately call our office to report the payment. We will credit the consumer's account and withhold our commission from your next monthly check.

Question: What should I do if I receive a letter from a consumer?

Answer: Forward the letter to us so we can follow up with the consumer directly. If our office receives a letter from a consumer and it appears we need you to review the letter, we will send you a copy.

Question: How will I know when you are going to sue an account?

Answer: We will send you an email notifying you of our intent to sue a consumer. When this happens, it's very important you review the account one last time and make sure everything is in order. If it is, update your system to reflect that we are suing the account. That's all you need to do. However, if you find anything that needs our attention, please let us know right away.

Question: What should I do if I need to cancel an account?

Answer: Call us. Collections is a complex process, and each account has unique circumstances. Since that's the nature of collections, it makes it impossible to come up with a one-size-fits-all answer to this question. However, if a situation arises that you believe warrants the cancellation of an account, call and speak with us. We will do whatever it takes to make sure you are satisfied with the final result.

Question: I just received a bankruptcy notice for someone I sent to collections. What should I do?

Answer: Forward the notice to us. North American Recovery has a sophisticated bankruptcy follow-up system in place that ensures we keep track of all developments in the bankruptcy. If the bankruptcy is eventually dismissed, we reactivate the account and restart the collection process.

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Question: If I haven't sent an account to NAR yet but have received a bankruptcy notice, may I still send the account to you?

Answer: Yes. Include a detailed note explaining that you haven't actually assigned the account yet but that you want us to use our advanced bankruptcy follow-up process to track the account. We will file a proof of claim for you (if appropriate) and monitor the bankruptcy for future payments or developments. We will make sure every possible dollar is collected. If the bankruptcy is eventually dismissed, we activate the account and start the collection process.

Question: What is an affidavit? How do I know who needs to sign it?

Answer: An affidavit is a sworn statement in which the person who signs, gives testimony based on first-hand knowledge of an account. Signing an affidavit is exactly the same as testifying under oath in a court of law. We may need a client to sign an affidavit when our attorneys are working on a summary judgment which, if granted, will prevent the client from having to appear in court to testify. The person signing the affidavit needs to be the one who has personal knowledge of the account, what the services were for, the amounts owed, and all other facts surrounding the debt.

Question: We just received a payment from an insurance company. Will you be taking commission on the payment?

Answer: We review this situation very carefully to determine if the payment was received because of our efforts. For example, if you mail an account on Friday we will probably get it Monday or Tuesday. If you call Monday morning and tell us that you just received a check in the mail from the insurance company, it's obvious we didn't generate the payment because we haven't even entered the account into our system yet. In this case, we would *not* charge a commission. We would cancel the account and return it to you.

However, let's look at another potential situation. Imagine that we enter an account and send

our notice on a Monday. The consumer receives the notice on Wednesday and immediately calls his insurance company. After talking to the insurance company, the consumer clears up the misunderstanding, and the insurance company agrees to pay the bill. But the insurance company doesn't send the check to us, they mail it to your office. You receive the check on Friday and give us a call. Even though the consumer never called our office—or your office—it's clear the insurance paid because of our involvement. In this example, we *would* take our commission.

We analyze each account and strive to do what is right. We want everything to be completely fair for both of us. We also want to make sure you are comfortable with the outcome. If we did something that resulted in the account being paid, we deserve our commission. If we didn't, we don't.

Question: I need to increase the balance I assigned. How can I do that?

Answer: We can do that for you. However, increasing the amount owed on an account means we would have to re-enter the account, just as if it were a brand new account. We would need to send a new first notice and then wait an additional thirty-five days before we can take any further action. If you're okay with that, we are more than happy to adjust the balance. Just send a new itemized statement reflecting all charges, and we'll take care of it.

Question: Can you remove an account from someone's credit?

Answer: Generally, the answer is no. Once consumers have paid the account in full, we will report it to the credit bureaus as paid, but we cannot remove the entry from their credit.

However, if there was a mistake, an error, or a misunderstanding while the account was still in your office—or if the consumer didn't receive our first notice because they moved and we didn't have a correct forwarding address—we are able to make an exception and remove an account from the consumer's credit. However, the consumer must pay

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the full balance within thirty days of becoming aware of the debt. Call our office when you have one of these situations, and we will see what we can do.

Question: How long will it take before we see any money from you?

Answer: This is a tough one because every account is different. Each consumer has unique circumstances, and that means there really isn't any way to know in advance how long it will take to collect a given account.

However, having said that, consumers who pay fall into three general categories:

- Type A: Consumers who pay right away
- Type B: Consumers who pay when they are sued
- Type C: Consumers who never pay, and we only receive money if we garnish their wages

Assuming your accounts include all three consumer types and you send at least ten or more accounts every month,* here is when you should expect to start seeing money from us:

- For Type A consumers, you should expect to see money within thirty to sixty days after you've assigned the account.
- Type B consumers will be a bit longer, but you will usually start seeing money within six months.
- Type C consumers are the toughest to collect from, and it usually takes a year before you see any money on their accounts.

*If you send a smaller volume of accounts, your results will vary, and you will have months where you may not get a check at all. However, we will still take the necessary time to review each account with you so you'll know exactly what's happening.

Question: If you take legal action on an account, will I have to pay any of the legal fees?

Answer: No. North American Recovery pays all court costs, service fees, and attorney fees. We then add those costs to the consumer's account.

Question: May I email a collection notice to a consumer I've sent to collections?

Answer: Yes. However, since we aren't attorneys and we can't give legal advice, we recommend you consult with your attorney if you have questions regarding what you are allowed to do with regard to collection activity.

Having said that, North American Recovery is not allowed to send a collection letter via email unless the consumer has given us permission to do so. Because email is not a completely secure form of communication, we can't guarantee a third party wouldn't see the contents of the email. We would be risking a violation of privacy laws if we sent a collection notice via email.

There you have it! Everything you ever wanted to know about how we handle different situations. Let me know if you have a specific question that wasn't answered here. I'll be happy to add it.

Happy Holidays! We will see you next month.



The Collector Chronicle is published monthly by NORTH AMERICAN RECOVERY for prospective and current clients. Please direct questions or comments to the Editor, Stephen Halling, at: StephenHalling@North-American-Recovery.com

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