

The Collector Chronicle

NORTH AMERICAN RECOVERY

July/August/September 2012

Utah's Collection Authority

LAST MONTH'S LUCKY WINNER

The lucky winner of our client drawing for June is Utah Valley Urgent Care in Sandy, Utah. They have been using our agency since July of 2010. We are currently working with Jared, our contact in their office. We will be sending him \$100 a gift certificate to the department store of his choice. Enjoy!



THIS MONTH'S PRIZE

This month, rather than giving away a gift certificate or event tickets, we will be donating \$100 to the Aurora Victim Relief Fund. This fund, established by Community First Foundation in partnership with Colorado Governor John Hickenlooper, will be used to help meet the needs of the victims and families affected by the Aurora Shooting in Colorado. North American Recovery would like to extend its sincerest condolences to all those affected.



SEND US EVERYTHING

BY DAVID J. SAXTON
PRESIDENT, NORTH AMERICAN RECOVERY

Every time we start collecting for a new client they ask, "What documents do you need when I assign an account?" So this month I thought I would discuss this topic.

The easy answer is: EVERYTHING. If we receive everything up front, it helps us do a better job and collect the account quicker. What is everything? Start with a complete itemized statement of all charges, payments, and adjustments. We also need a copy of all applications and signed financial agreements.

The following list should be the *minimum* demographic information you collect from every consumer (and of course it's the information we need when you assign the account):

- Full legal name. This includes first name, full middle name—not just the middle initial—last name, and any Jr., Sr., II, III, etc. (We don't want to be collecting from John Doe Sr. when we should be collecting from John Doe Jr.)
- Social Security Number
- Date of Birth
- Employer (including their employer's address and telephone number)
- Marital Status and, if married, their spouse's name
- Spouse's employment information (including the company's name, address, and phone number)
- Driver's license number
- Home address and telephone number
- Cell phone number
- Name, address, and phone numbers of two relatives not living with the debtor
- Previous address (If at current address for less than one year)
- Email address

These are the minimums. You can always ask for more, but as long as you "collect" the information listed above, it's a good start. Most of you likely gather all of this information already; however, the email address is a relatively new addition to a person's identifying information and may have been overlooked by some of you. With the re-

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cent growth of social media websites, blogs, personal websites, and other online media sites most people now have an online identity. When someone creates an account online their email address is usually used as the user name. Providing us with a debtor's email address does more than just give us another means to contact him/her, it connects us with his/her online accounts and any useful information he/she may have posted. An email address allows us to locate the debtor's online information making it as important as any other piece of identifying information you collect.

While initially providing us with the aforementioned information is the ideal way to assign an account, we realize that it may not be practical for some clients. It is important, however, that you send as much information as possible up front.

Now the question becomes: When should I collect this information? Well, it starts the day the consumer walks into your business for the first time. Even though this isn't the most obvious place to think about a collection problem, it is by far the most important exchange you will have with the consumer. If you don't collect enough information during your first contact, you won't have the opportunity to do so when they stop paying.

It is critical that you establish a policy of updating your files completely for all customers during your first contact. In addition, since a portion of your consumer base will always be moving and changing jobs, you should update your records annually, whenever you see a consumer, or when they ask to increase their credit limit or receive new goods or services. These are perfect opportunities to re-verify all personal information and update anything that has changed.

I realize I am not telling you something you don't already know, and I understand that sometimes you can't get the information you need. But if you always do everything you can to obtain and verify information, you will be helping the collection process immensely.

In addition to collecting and updating personal information, you should ALWAYS make sure the consumer signed your financial agreement. Acquiring the consumer's signature is critical because people want to see what they "signed", and even though we can still collect from a debtor if they didn't sign anything, it's better when we

can send the debtor a copy of a contract with their signature on it.

Okay, you've collected personal information and made sure the consumer signed your agreement. They haven't paid, and now it's time to send the account to collections. At this point, you will make copies of everything and send the account to us. We'll start working the account, and some consumers will inevitably "dispute" that they owe the bill and request "verification." Since you sent us everything up front, we can immediately send the debtor complete copies and continue collecting. (If we didn't have the documents, we would have to stop collecting until we received them from you.) In addition, when we have the documents we can discuss everything—in detail—over the phone instantly. This ability improves our credibility with the consumer and usually results in us collecting the account. It's much easier for a collector to overcome a consumer's objections when they have access to the complete file.

Another situation that requires copies of the documents is when we decide to take legal action. The courts require a copy of the signed financial agreement, and we must provide another copy to the consumer when they are served with a summons. If we already have the documents when we initiate legal action, all you have to do is update your records to reflect the pending lawsuit. If we don't have the documents then we must request them from you. Requesting and then waiting to receive the documents will delay the legal process, and that's the last thing we want to do. The legal process is slow enough!

Okay, I think by now you're probably convinced that we need all the documents up front, but what if you don't have any? Well, it's not the best situation, but we've had a lot of success collecting from people who never signed anything. It's difficult, and it takes longer, but it can be done. If you have accounts that fit this description, send them to us and we'll use our best collection efforts to collect the account.

There you have it: Collect as much personal information as possible and update your records frequently. Then send us *everything* when you assign the account to our office. It may take more time up front, but it will pay off in the long run.



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