



PREFERRED COLLECTION AND MANAGEMENT SERVICES, INC.

D/B/A The Preferred Group of Tampa

(800) 741-0802



## TIPS TO INCREASING RECOVERY

- **Get the accounts Sooner to bad debt**

The older an account is the harder it is to collect. The older it is the more like the data, like demographics is bad and will require more time and effort to track down the debtor increasing costs to the agency and therefore to you. Contingency rate factor many things, one of which is the age or average age of the accounts being placed.

- **Collect cell phone numbers, landlines, email address, work numbers and emergency contacts**

The more contact information you have the better the contact ratio will be. Even if the debtor has moved, an agency can use the extra data to try and locate the consumer at a new phone, address, or workplace. Marking the number as a cell will help the agency and you, the client, stay compliant with the Telephone Consumer Protection Act of 1991, which is outdated and fails to account for legitimate calls made to a consumer's cell phone. Knowing whether a number is a landline or a cell phone, the agency can employ different technology to keep from running afoul of the law. Email is a new channel now being used for consumers that prefer to not speak to a collector and deal with an account or circumstance via email only.

- **Take advantage of tax season.**

Many clients offer tax amnesty programs whereby they allow (during tax season) special discounts to settle accounts in full. The discounts can vary based on the age of the account, the amount, of whatever parameters the client requests. As the economy improves debtors are looking to "fix" the credit woes, seek better loan rates, refinance or buy a house. Less debt outstanding improves the debt to income ratio and while scores are a proprietary formula set by the credit bureaus, paying a debt can only improve chances for a better outcome.

- **Consider Credit Reporting**

Sometimes the only leverage that an agency has, especially if the debtor has moved, changed phones, and can't otherwise be located, is to credit report the account and wait. Debtors who are going to refinance, try and obtain a loan, or have credit monitoring will often contact the agency directly or indirectly to dispute the account. The agency has a second change at gathering location information by analyzing the communication from the debtor and can work with them going forward to resolve the debt.

- **Beef up your contracts and guarantor agreements**

If permissible, ensure your contract collects as much data about the debtor (or by using a supplemental form), contains express written permission to contact the consumer or patient on their cell phone, or email; it has a clause specifically dealing with delinquency and the use of a collections agency, and fees that may be imposed if the account were to end up in collections, and or any legal fees if you decide to



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sue to get you money back. Ensure you have valid signatures and if permissible, make a copy of a photo ID to prevent claims of identity theft. Many hospital now are using biometric scanners and some billing systems have software that can take a picture to tie a patient to an account.

- **Ensure your agency is using the latest in technology to reach the consumer and offer THEIR preferred methods of payment**

Newer generations are using current technology to pay bills. They want the convenience to pay using their phone, an app, or by going to a website at a time and place convenient to them and they want to avoid talking on the phone with a collector. Your agency must present alternative channels to the consumers and patients of today. Many billing companies rely on their mail vendor to do the old fashioned "NCOA" scrub to find a current address. But there are other vendors that can be used in a waterfall approach to try more data sources.