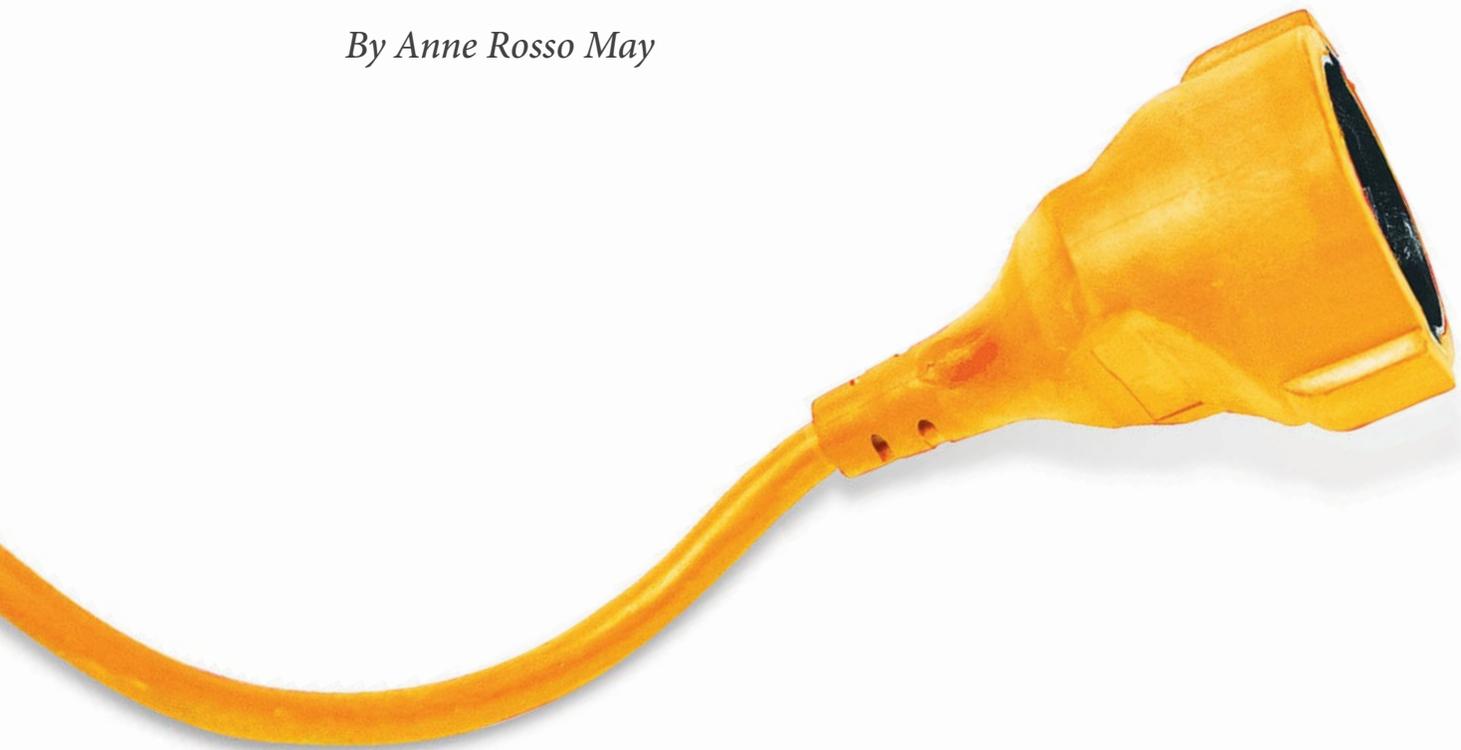


# LINES OF COMMUNICATION

How to handle consumer communication in the aftermath of a natural disaster.

*By Anne Rosso May*





**W**hen the dust settles after a natural disaster—like the two category 4 hurricanes that made landfall in the U.S. in August and September or the wildfires that burned more than a million acres in the Western states over the summer and fall—recovery for people in the affected areas can be long and painful. Many must grapple with ruined homes, costly injuries, loss of income and the frustrating, tedious process of rebuilding a life from the ground up.

And there you are, a debt collector, right in the middle of it. In these situations, it can be difficult to know how to proceed. When it comes to contacting consumers after a natural disaster, what are your legal obligations, what do your clients expect and what is the right thing to do as a compassionate business owner?

Here we take a look at some best practices to help you navigate these muddy waters.

#### **FROM A CLIENT PERSPECTIVE**

Depending on the type of disaster that has occurred, some of your collection efforts may have to stop for a period of time, while others may continue—albeit modified. Your main goal is to not further inconvenience consumers who live in the affected areas.

First you need to clearly understand what your clients expect. A few may have these emergency communication expectations spelled out formally in a contract or they may proactively send over ZIP codes that should be put on hold, but most likely you'll need to do some research on what's happening in the area, draft some recommendations and reach out to discuss.

Large financial institutions may be well versed in this exercise, but other entities, like colleges and universities, will likely rely on your expert opinion.

Doug Schultz, chairman of ContactRelief, LLC, a company that advises call centers

on post-disaster communication strategies, owned a collection agency when Hurricane Andrew struck Florida in 1992. “I had 15 clients telling me to do things in 15 different ways,” he recalled. “A disaster that big was new to them, and some of their directives were not so great.”

Talk to your clients about their messaging, too. Sending them ZIP codes of areas hardest hit can give them an opportunity to express their concern for consumers after a disaster and boost their brand. Several banks and credit card companies did this after hurricanes Harvey and Irma.

For instance, Wells Fargo told customers in FEMA-declared areas that it would provide “payment relief” for 90 days on several of its credit lines, including credit cards, student loans and mortgages, and wouldn’t report missed payments to consumer reporting bureaus.

If your clients have hardship or relief programs, Schultz suggested collection agencies could let their customers know about them and recommend they document any damages and costs incurred as a result of the disaster for their application to the program. In these situations, it’s essential to have an employee on the line who is well versed with the client’s specific hardship program.

Even posting a notice on your website that your thoughts are with those affected

by the recent natural disaster and describing the support your company is offering victims and/or relief efforts can go a long way toward building goodwill with clients and consumers.

Additionally, think about how you will communicate with your clients if the power and phone lines go out in your area. When Hurricane Irma hit Florida on Sunday, Sept. 10, David Kelley, president and CEO of The Preferred Group of Tampa, closed his company that Monday.

Even though it wasn’t in an area that received significant damage or flooding, the company’s offices were in a designated evacuation area and they had to wait until the all-clear was given by city officials. Kelley reopened the office doors on Tuesday morning, and it took him all day to connect with his Florida-based clients, many of which were without power and had enacted their own emergency preparedness plans.

“That day, we communicated our status to our clients, asking them to share with us any pertinent things we needed to know,” he said. “We also gave them our game plan on how we would approach and when we would begin calling their patients, and asked if they wanted us to vary that approach at all. None of them did. I can’t tell you all the positive responses we got from getting in touch with our clients right away and asking how we can support them.”

## FROM A LEGAL PERSPECTIVE

Of course, there are a few legalities you will need to take into account when formulating your post-disaster communication plan. Consumers who live in the areas most heavily hit may not be able to send and receive mail. Your collection letters, as well as your service of summons and complaints, could be nearly impossible for consumers to receive; in some cases, local post offices or courthouses might be demolished.

Your collection efforts in these areas during this time would likely not only be fruitless, but could put you at risk if you proceed with actions at a time when consumers can’t receive your letters.

While neither the Fair Debt Collection Practices Act nor the Fair Credit Reporting Act require proof of receipt when sending collection notices to consumers, after a disaster it may be impossible to comply with their notice requirements due to interruptions in telephone and mail service. Many debt collectors opt to suspend communication attempts until mail is deliverable or telephone service is restored to the disaster-stricken area.

It might be helpful to reference the U.S. Postal Service’s list of areas where mail is suspended due to a natural disaster, which can be found on its website. USPS updates the service disruption status of affected ZIP



codes every day when necessary, grouped according to disaster.

For example, when Irma hit Florida, USPS suspended some services to South Florida a week ahead of the storm to give residents time to evacuate, and parts of the Miami-Dade area and Lower Keys didn't get mail service back for almost two weeks afterward.

Debt collectors subject to the FDCPA cannot reasonably assume the intended recipient will receive the validation notices or other communications they sent to suspended ZIP codes until the mail delivery suspension is lifted, so it's important to keep up with these restrictions. Additionally, airport closures can affect mail delivery as well.

This caution also applies to phone calls. It's wise to have procedures to identify area codes that may be affected by a natural disaster, and instruct your collectors not to dial telephone numbers that fall within any of the identified area codes or block autodialers from dialing such numbers.

This is especially important since under the FDCPA, debt collectors cannot call consumers at times known to be inconvenient—a vast understatement when it comes to the impact of a natural disaster.

### **FROM A PERSONAL PERSPECTIVE**

As a debt collector, you'll want to be sensitive to consumers' plight after a natural disaster. If they live in an area

where residents are solely focused on day-to-day survival, calling about a past-due debt or waiting for them to call you might be a waste of time. Be prepared to adjust your internal policies and procedures so consumers are not inconvenienced or harassed, ensuring the most efficient method of collection during such a difficult period.

There is a public relations concern here as well. Even if you are not legally obligated to suspend collection efforts in a certain area, think about how you will be perceived if your actions are reported on in the media. This kind of attention is the last thing your agency—and your client—wants.

If you're dealing with a known weather event, like a storm, you'll need to become a bit of an amateur meteorologist even before it occurs, when consumers might be busy preparing or on the road evacuating. Keep up with weather reports for the area and news about how people might be affected.

Gulf Coast Collection Bureau Inc. in Sarasota, Fla., suspended calls the Friday before Irma hit.

"We started out that Friday making outbound calls, but quickly realized consumers' minds were not on their past due debts—they were preparing their families to be safe," said Jack W. Brown III, president. "So we suspended all outbound calling starting that afternoon, and didn't resume outbound calling to the affected areas for several days after the storm passed."

Similarly, before Hurricane Harvey hit Texas on Friday, Aug. 25, meteorologists and city officials had been warning residents and businesses of the potentially catastrophic weather event, urging people to take the necessary steps to prepare. That Friday, Universal Fidelity LP in Houston suspended letters and calls to consumers and closed early, sending employees home to hunker down for the storm.

"Right off the bat, we froze the whole state [of Texas] because we knew everyone was going to be focused on this," said Jessica Hearn, owner, CFO and compliance director. "Even if an area wasn't directly affected, many cities—even in other states—

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Check out the latest USPS service disruption alerts:

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[online.collector.com/collectormagazine/201706](http://online.collector.com/collectormagazine/201706).

coordinated rescue efforts to help people in the places that were struggling.”

Ultimately, Universal Fidelity suspended outbound consumer communication in Texas from Aug. 25 to Sept. 11—18 days—and it took almost a week for the company to receive incoming mail.

Once the weather event passes, you’ll need to pinpoint which areas have been affected. The news media, as well as reports from government officials, FEMA and clients in the area, can help you gauge what’s happening.

“Sometimes determining which areas to suspend outbound calls into is the easier task,” Schultz said. “Deciding when to resume calling into these areas often presents more of a challenge, depending on the severity of the disaster. Among other

items, we suggest you monitor for power and package delivery resumptions, school and chain store re-openings, casualty and damage claim estimates and evacuations still in place before resuming your calls.”

Kelley said it took him a few days to get his arms around the conditions in Florida after Irma. “We knew everything in the state would be impacted,” he said, “but once we got back in the office, we had to reformulate our strategy in light of what had actually happened.”

The company suspended all outbound calls and letters, and set a deadline to re-evaluate its plan at the end of the week. Collectors did continue to take inbound calls.

“We thought it would be extremely quiet that week, but inbound traffic was higher

than we anticipated,” Kelley said, speculating that perhaps some people in less-affected areas had more time on their hands to follow up with communications the agency had sent before the storm hit.

When Gulf Coast Collection Bureau resumed its outbound calling campaign post-Irma, Brown said he took a tiered communication approach. First, he green-lit calls to areas not directly affected by either Harvey or Irma and blocked communication to areas hardest-hit by the storms. Next, he launched limited call campaigns for consumers on the outskirts of those affected areas.

“If we reach consumers in those outskirts areas and they tell us that they were hit and they are dealing with issues, we have a message that pops up in our system that



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tells us that the person was impacted by a hurricane, and the agent is able to put the account on hold for 30-60 days,” Brown said.

Just like Wells Fargo, in light of the financial difficulties people faced after Irma, The Preferred Group of Tampa stopped reporting new accounts to the consumer reporting agencies until Oct. 10, though it still reported payments and cancellations.

“We just felt that doing that might help consumers in Florida who suddenly found themselves in a situation where they were taxed financially and trying to rebuild as a result of damage,” Kelley said. “We wanted to have a positive impact on their lives, and we got the OK to do that from our clients.”

Before your collectors start making calls to consumers again, it’s important to coach them on how to handle the conversations. Some people will have just spent a ton of money evacuating or otherwise preparing for the storm. CBS News has estimated that it costs \$4,000 to fully lock down a home to protect it from a hurricane.

Brown said he advised collectors to take a soft approach to their calls, starting with general questions about the consumer’s well-being and asking how they were affected by the storm.

“If consumers tell us they are struggling, we encouraged our collectors to say, ‘I understand, this account can wait. When would be a good time to call you back?’”

Kelley also developed a new talkoff for collectors at The Preferred Group of Tampa and role-played different scenarios with collectors so they felt comfortable having these conversations. He noted that talking to consumers in situations like this is often more art than science, but while collectors should be encouraged to be empathetic, they also need to know what they are allowed to offer consumers.

“If someone tells us they have 2 feet of water in their house and they don’t know what they are going to do, we say, ‘I understand. I’m extremely sorry. Here’s what I’m going to do. I’ll put a hold on this right

now. What would be a good day to reach out to you later?’” Kelley said. “Sometimes we’ll put a freeze on the account, or if it’s a payment plan we may push it out 60 days. We don’t leave it open-ended—we want them to feel secure because there is a plan in place. Our goal was and is to offer them help, hope and solutions, not just pile more difficulty onto their problems.”

Hearn said Universal Fidelity’s collectors also took into account that due to the mail interruption, many Texas residents couldn’t get their Social Security and Veterans Affairs checks they needed to pay their bills.

“We’ve always been a very compassionate agency, so at all times—no matter if it’s a disaster or not—we’re always willing to work with consumers,” Hearn said.

### TAKING THE LONG VIEW

Any interruption of standard business practices—be it a temporary closing, a hold on accounts or a glitch in a previously relied upon communication system—can have a negative effect on a company’s bottom line. With potentially profitable accounts sitting stagnant day after day, you’ll need to be prepared for the possibility that you will finish the month in a crunch.

Kelley acknowledged that both the credit reporting and consumer communication freezes he issued after Hurricane Irma did have some negative effects on his company.

“As an agency owner, when you walk out onto the collection floor and nobody is making phone calls, that’s when the red flags go up; it’s not a good feeling,” he said. “But I believe that this business is a ministry for us. We just knew that what we were doing was the right thing to do. While I wish it didn’t have to come this way, I looked at it as a wonderful opportunity for us to make a difference and to really help people.” ❖

*Anne Rosso May is editor of Collector magazine.*

## KEYNOTES

**1** Break out your research skills so you can find out what’s happening in areas affected by the disaster and draft communication recommendations for your clients.

**2** Debt collectors subject to the FDCPA cannot assume the intended recipient will receive validation notices sent to suspended ZIP codes until the mail delivery suspension is lifted.

**3** Before you start making calls to consumers again, coach collectors on how to handle the conversations. Encourage empathy and make sure they understand what they can and can’t offer the consumer.