



“I Like Being a Collector!” Hmmm you say

In an ideal world every employee in your collection department would be echoing this recent quote from Rhonda, team leader and collection supervisor with CU Recovery. The rest of the statement was that Rhonda really felt gratified by listening to the members story and was happy (yes happy) to work with them to get the debt moved along to the road of repayment. I heard the passion for the job in her voice and every member of her team as well as the member would hear that also...a reason for her great recovery rates.

Here are some great ideas for your credit union to think about from the CU Recovery team:



- Don't make a call without knowing the specifics of the file...not just the amount of the debt, but how old the member is, have they been in debt before, where do they live – pretty simple stuff, but here are the facts behind the opinion:

Know that there are generational issues to deal with:

Seniors: Improving credit is not a factor / Real estate is down and may never come back in their lifetime, so.... / There is little concern for improving their credit score / They have a value system that wants to see the debt 'paid in full' / They feel morally obligated to pay, in fact they will send the last few dollars that they have at the end of the month to see the debt paid down

Younger than 55: These folks expect good things to happen to them so it is an offense to receive a call from a collection department / They are more concerned about good credit and respond to ways to improve it / With real estate prices down, they now see their dream of owning a home as a possibility

Middle aged and never been in debt before: This group is overwhelmed after 18 months or more of trying to keep their heads above water / They finally cry 'uncle' and are embarrassed to be in the situation / They may be depressed and feel that there is 'no way out' / They don't know where to turn or where to start

- Credit Unions vs. those other guys

This is the good news: all of the demographics above respond well to the credit union way of doing business. If the credit union has been good to the member, they are more likely to have their debt paid first.

- Great collection departments have a roadmap. The roadmap includes the specifics on how a deficiency is collected, like a complex wire diagram...'if this happens, here are a handful of suggestions'. The wire diagram includes a plan B / alternate solution for each occurrence.
- Great collection departments see the value of collecting all outstanding debt, not just keeping a score card or a timing chart of 'collectible under 90 days'.
- Great collection departments run like a customer service business, one file / one collector.
- Great collection departments don't have a revolving door for their collectors and reduce their risk of expensive litigation by training, scripting, and establishing realistic performance standards.

Here are two statements from the CU Recovery group of collectors that sum up a great collection department:

- Management respects every employee and really listens to what they have to say
- The collectors feel respected and that they are not just a number

CU Recovery, Inc. is a full service collection agency, working exclusively for credit unions, dedicated to maximizing recoveries on charged off loans. **The Loan Service Center, Inc.** provides staffing solutions for credit union collection departments to minimize losses on their delinquent active loan portfolio. The **CU Recovery Collection Academy** is a resource for continuing education to assure the success of Credit Union collection departments in meeting their member service and delinquency reduction goals. For more information: www.curecovery.com