



Collectors Building Rapport – an Oxymoron?

Not all debtors result in a write-off. A large percentage of debtors are people who are trying to find a solution to repay their debts. Collectors that use unfair tactics to get people to pay what they can't afford will not help people resolve their financial situation. The general public perception is that collection departments are staffed with bullies. For this reason, credit unions are wise to learn the individual circumstances of their members and develop an effective, diplomatic process for collectors to follow.

Collectors need to build rapport with the debtor to determine early on if the debtor will cooperate with you or will be difficult to move to action. Remember: Intimidation tactics are usually ineffective. It is much more effective to use persuasion. Getting a debtor to pay is simply a matter of making an effective argument for payment — it all boils down to getting the debtor to decide that they want to pay. It's not about coercing them; it's not about breaking them, or even reducing the amount of the bill. The key is getting them to say that they want to do something about it.

Great collectors are great communicators. The collector that can effectively deliver the message that payment needs to be made with a clear sense of urgency gets the money. The delivery tone is actually more important than the content, or script of the conversation. The tone of the conversation should be firm yet friendly. An old adage in collections states: "How you say it is more important than what you say."

A great rapport building collector is a consultant and negotiator who is adept at problem solving. A skilled, well-trained collector must be able to determine the ability to pay based on a number of pre-determined factors. This always involves excellent listening skills, and the ability to assess the situation not only by what the customer is saying but by what they're not saying as well.

Collection staff may benefit from customer service training as they must 'sell' the member on the idea that you expect to be paid. Make sure that your collection staff is trained to not only bring the account current, but to also maintain good will with members. The truth is that if you aren't being paid, someone else is, so stick to your systematic plan of follow up. You'll soon know who intends to really pay and who doesn't. You can then take appropriate action once you know where you stand. It's an excellent idea to contact late payers every seven to 14 days. An email can be a courteous reminder that a payment is late rather than a collections warning.

These are some tips for building rapport with delinquent debtors:

- Listen and be willing to see the world from their point of view.
- Take a genuine interest in the member and treat each situation with respect.
- Be curious about who they are and how they think.
- Ask the member for additional information that would help you to understand the scope and extent of their financial problems.
- Ask what caused the delay in payment.
- Ask how serious the problem is and what the customer is doing to resolve the problem.

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