



Building the Foundation ◇ EXPERT ◇ Collection Resources

E = Experts at Your Fingertips

X = Extra Help, Taking a Pro-Active Approach

P = Practice What You Have Learned

E = Education Resources for Collectors

R = Reliable Sources of Information

T = Training Strategy for Collection Staff

Current statistics show that nearly 74 percent of overdue debt under three months delinquent is paid. However, after six months, that percentage drops significantly, making it extremely important to contact debtors promptly and legally, using appropriate tactics for repayment of the money owed. And today's compliance environment demands a comprehensive approach to ensure every member interaction is conducted by trained staff operating under strict guidelines.

It is also important to recognize that debt collection is a part of the sales process since overdue payments can have their roots somewhere within the sales procedure. Another often-neglected aspect is that debt collection staff are, in a sense, part of the sales team because they interact with members and may also have an additional role as customer service team members.

The activities and attitudes of debt collection staff can directly impact members in a negative manner, with poor debt collection methods sabotaging years of effective work. For example, collecting overdue accounts without adequate negotiation skills could mean leaving money on the table. In addition, understanding negotiations and not having the required collection skills can reduce performance and recovery rates.

The world of collections is a demanding one. Below are a few of the essentials needed for the highest collection achievement to retain, and in many cases improve, member goodwill. Is everyone on your collection staff comfortable in each of these areas on every call?

- Using an assertive, but not aggressive, telephone voice.
- Strong listening skills - Active listening requires a more focused attention than casual listening.
- Managing emotions - Emotions can be very easily read over the phone.
- Preparing a pre-call plan - Identify factors that help you determine a debtor's repayment potential.
- Making the right opening statement – Build positive relationships with debtors at the first contact.
- Asking the right questions - Questions convey to your member that you are concerned. When you make the call, ask for the full amount and do not assume there is a problem.
- Making the transition to the payment arrangement – or if their payment pattern has changed, take immediate corrective measures.
- Handling objections and broken promises - If a promise is broken, take immediate action, otherwise your credibility will be at stake. Establish that the objection being discussed is the only one, and if the objection is dealt with, there should be immediate payment.
- Closing the call by paraphrasing and summarizing the conversation.

CU Recovery's Build the Foundation Training will shorten the time it takes to bring a new collector up to speed as well as provide immediate results for experienced collectors in need of sharpening their skills. Contact [CU Recovery](#) for more information.

The CU Recovery, Inc. & The Loan Service Center, Inc. collection teams are your solution for all subjects relating to minimizing loan loss and maximizing recoveries from non-performing loans. Their experts can work with any loan type from zero days delinquent to charge off. Designed to meet your needs, *CU Recovery* is a full service collection agency dedicated to maximizing recoveries on charged off loans. *The Loan Service Center* provides staffing solutions for credit union collection departments to minimize losses on their active delinquent loan portfolio. The *Collection Academy* offers a curriculum of collection processes with tools that will be effective in your collection department. For more information: www.curecovery.com