

WILLIAMS, ALEXANDER & ASSOCIATES

Collections & Debt Management Solutions

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The Power of Credit Reporting

A significant benefit of using a full service collection agency like Williams, Alexander & Associates (WAA) is our reporting capability with the credit bureaus. One of the reasons your debtors don't respond to paying your bills is they don't believe you can impact their credit score like a credit card company, auto finance company, or mortgage bank loan company can do -- just to name a few.

Because we report debtors to the national bureaus 30 days after placement, WAA delivers the same clout as the credit card companies or banks. Actually, this advantage can help you even before you turn the accounts over for collection.

If you have a well-planned delinquency policy in place, your debtors will think twice before they decide not to pay your bill. The word will get out that your office takes delinquencies very seriously, and debtors will



either pay your bills on time or take advantage of another office. CALL US -- WE CAN HELP DEVELOP YOUR STRATEGY.

The Fair Debt Collection Practices Act (FDCPA) is very clear -- if you say you are going to do some-

thing, you better do it. If we tell your debtor in the first validation letter that we will be reporting them to the credit bureau thirty days after the placement, we must follow through with the action.

This leverage is a very strong collection tool with credit scoring in the forefront of financial news these days. A low credit score can make the difference in a person paying thousands of dollars in interest more than they should, or maybe not getting a loan or mortgage at all.

That is why in many cases you may bill your debtor and call your debtor for months and nothing happens, but as soon as they get our collection letter the bill gets paid. (With our seven-day buffer promise, you don't get charged for these turn-around payments.)

We do, however, have the cases that call our bluff, tell us to jump in the lake, have disconnected phone numbers or have skipped out of town. It is those placements when reporting the debts to credit bureaus pays off. The debt stays on the credit report for seven years from the date of service.

All of a sudden, one of your debtors calls the office because they just ran their credit report and find that they have to pay your bill before they can buy a house or car, or they need to pay you before they can refinance their house for a lower



interest rate. We call these debt payments "pennies from heaven", because the old account you wrote off becomes a receivable, hopefully with interest.

A call to your office asking about a debt that has been

reported to the credit bureaus most often comes out of the blue. Many offices write-off delinquent accounts for tax credit, and by doing so, zero out the balance on the office computer system. It makes perfect sense -- however, you or your office staff could miss the fact that the **bill was not paid**. Many times an old debtor calls and they are told they owe nothing because the notes in the file neglected to show a write-off. **You should always make a note on the file that the account was written off for collection and make sure to put the last balance due in your notes.**

Give the debtor the name of your collection agency, and they will be able to expedite the payment, provide letters of satisfaction, and update the credit report quickly.

With power comes responsibility -- it is very important to report direct payments. If you forget to notify the reporting agency of a payment and the credit file is not updated, both you and the reporting agency could be liable and in violation of the Fair Credit Report Act. **This is a small action to perform when you consider the great advantage that reporting debts to the credit bureaus delivers.**

Scanning Improves Recovery Efforts

Williams, Alexander & Associates strives to utilize any new technology that can make us more productive. We scan all documents that you send to us for placements. A scanned document provides our collectors with the instant ability to produce a copy of the item on their computer screens. This allows them to carry on dialogues with debtors, eliminating delays that were caused by paperwork being pulled from files.

Not only is the scanned copy highly accessible, scanning eliminates the need for filing -- and the possibility that it could be misplaced in the process.