Hiring and Evaluating Consumer Debt Collection Agencies

Bryant Marshall, Attorney at Law
Marshall & Owens, P.A.
Valuable Partnership

- Services Offered:
  - Early-Out
  - Contingency
  - Flat fee
  - Credit Reporting
  - Scoring/Segmentation
  - Third Party Liability
State Law Licensure Requirements:

- Arkansas
- Mississippi
- Tennessee
Inquiries

- **Attorney General**
  - Arkansas Attorney General Dustin McDaniel
    501-682-2007 or http://ag.arkansas.gov/contact_us.html
  - Mississippi Attorney General Jim Hood
    601-359-3680 or http://www.ago.state.ms.us/index.php/contact
  - Tennessee Attorney General Robert E. Cooper, Jr.
    615-741-3491 or http://www.tn.gov/attorneygeneral/contact.html

- **State Boards/Commissions**
  - Arkansas – State Board of Collection Agencies
  - Mississippi
  - Tennessee – Collection Service Board

- **Better Business Bureau**
  - Arkansas – 12521 Kanis Rd, Little Rock, AR 72211, (501)664-4888
  - Mississippi – 601 Renaissance Way, Ste A, Ridgeland, MS 39157, (601)707-0960
  - Memphis – 3693 Tyndale Dr, Memphis, TN 38125, (901)759-1300
Memberships

- ACA – The Association of Credit and Collection Professionals
- MGMA – Medical Group Management Association
- HFMA – Healthcare Financial Management Association
Bonds and Insurance (ACA)

- Certificate of Insurance
Financial

- Dunn & Bradstreet  www.dnb.com
- References
- Financial Statement (compiled)
- Bankruptcy filings (corporate and ownership)
  https://pacer.login.uscourts.gov/cgi-bin/login.pl?court_id=00idx
Operational

- Staff Education and Experience
- Training
- Incentivized Staff
- Tenure
- Hours of Operation
- Visit the Agency
Technical

- Accounting Frequency
- Online Access (client and consumer)
- Call Recording
- Document Imaging
- Certification
- Backup/Disaster Recovery
- Scoring and Segmentation
Comparing the Results
before Acumen! Suite Installation

<table>
<thead>
<tr>
<th>Medal</th>
<th>Gross Collected</th>
<th>% of Recovery</th>
<th>% of Accts</th>
<th># of Accts</th>
<th>Dollars Placed</th>
<th>Liq Rate</th>
<th>% of Effort</th>
<th>Effort Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Platinum</td>
<td>$3,708,266</td>
<td>65%</td>
<td>25%</td>
<td>71,786</td>
<td>$37,045,291</td>
<td>10.01%</td>
<td>31%</td>
<td>60%</td>
</tr>
<tr>
<td>2-Gold</td>
<td>$1,065,779</td>
<td>19%</td>
<td>29%</td>
<td>82,663</td>
<td>$8,121,602</td>
<td>13.12%</td>
<td>32%</td>
<td>20%</td>
</tr>
<tr>
<td>3-Silver</td>
<td>$541,119</td>
<td>9%</td>
<td>25%</td>
<td>72,521</td>
<td>$67,872,875</td>
<td>0.80%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>4-Bronze</td>
<td>$381,650</td>
<td>7%</td>
<td>21%</td>
<td>59,947</td>
<td>$14,074,992</td>
<td>2.71%</td>
<td>22%</td>
<td>5%</td>
</tr>
<tr>
<td>Totals</td>
<td>$5,696,814</td>
<td>100%</td>
<td>100%</td>
<td>286,917</td>
<td>$127,114,761</td>
<td>4.48%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Comparing the Results
after Acumen! Suite Installation (6 months)

<table>
<thead>
<tr>
<th>Medal</th>
<th>Gross Collected</th>
<th>% of Principal Rcvd</th>
<th>% of Accts</th>
<th># of Accts</th>
<th>Dollars Placed</th>
<th>Liq Rate</th>
<th>% of Effort</th>
<th>Effort Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Platinum</td>
<td>$5,932,655</td>
<td>74%</td>
<td>27%</td>
<td>69,246</td>
<td>$35,502,807</td>
<td>16.71%</td>
<td>55%</td>
<td>60%</td>
</tr>
<tr>
<td>2-Gold</td>
<td>$1,247,292</td>
<td>16%</td>
<td>25%</td>
<td>64,117</td>
<td>$8,844,703</td>
<td>14.10%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>3-Silver</td>
<td>$747,365</td>
<td>9%</td>
<td>25%</td>
<td>64,117</td>
<td>$52,803,748</td>
<td>1.42%</td>
<td>17%</td>
<td>15%</td>
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<tr>
<td>4-Bronze</td>
<td>$89,382</td>
<td>1%</td>
<td>23%</td>
<td>58,987</td>
<td>$10,540,761</td>
<td>0.85%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Totals</td>
<td>$8,016,694</td>
<td>100%</td>
<td>100%</td>
<td>256,467</td>
<td>$107,692,020</td>
<td>7.44%</td>
<td>100%</td>
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</tbody>
</table>
Performance

- Historical Performance

- Liquidation Percentage = Gross Collections / New Business
Fees

- Collection Fees
  - Primary
  - Secondary
  - Compete

- Adding the Fee to the Claim
The Agreement

- Agency Law
- No Writing Required
- Benefits of a Writing
Evaluation

- Complaints to AG’s, State Boards
- Complaints to Client staff
- Performance
- Access to Reps
Valuable Partnership
Questions?

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