

# Collectors Toolbox

Presented by Scott Holmquist  
President, Second Alliance, Inc.



# Collectors Toolbox

- ▶ Student Portal
- ▶ Telephone
- ▶ Mail
- ▶ Text
- ▶ Email
- ▶ Social Media

# Student Portal

- ▶ Is this always available to students?
- ▶ What kind of information is available?
- ▶ Is this keep a good 'connection' with your student?

# Telephone

- ▶ The telephone can be your best resource as a collector.
- ▶ Keep a Regular Schedule
- ▶ Return Your Calls
- ▶ Schedule Your Telephone Attempts
- ▶ Do you or your agency use any auto-dial technology?
- ▶ Be Compliant!!
- ▶ Skip Trace Efficiently
- ▶ Making Collection Calls
- ▶ Using Scripts
- ▶ Document Your Efforts

# Mail

- ▶ Collection letters can be effective when properly used. They can also be counterproductive when used incorrectly.
- ▶ Your letters should not be duplicative or contradict those sent by your billing service.
- ▶ You should decide on how many letters you will have in your series and how long you will chase a student down with letters and skip tracing.

## Discussion Points

- ▶ What are the benefits of keeping your account in-house longer?
- ▶ What are the benefits of getting your account to collections faster?

# Collection Letters

- ▶ Collection letters should serve a purpose. Less is better.
- ▶ Less correspondence from your office will garner more of your students attention and urgency and will be taken more seriously.
- ▶ More correspondence will foster a sense unimportance and Second Chance Syndrome.

# Collection Letters

- ▶ Your letters should be purposeful and clear in their intent. They should include:
  1. The introduction. This sets the stage for your purpose. A who's who and what's what.
  2. The Body. This describes what did or did not happen.
  3. The close. This is a statement of what is required and what will happen if that requirement is not met.

# Collection Letter Introduction 1

- ▶ Our records indicate that your above referenced student loan is PAST DUE in the amount of \$494.00. This includes principal, interest, late charges and collection costs and continues to accrue \$40.00 monthly based on your original repayment plan.



# Collection Letter Introduction 2

- ▶ Our records indicate that your above referenced student loan is **SEVERELY PAST DUE** in the amount of \$494.00. This includes principal, interest, late charges and collection costs and continues to accrue \$40.00 monthly based on your original repayment plan.

# Collection Letter Introduction 3

- ▶ Our records indicate that your above referenced student loan is in DEFAULT in the amount of \$494.00. This includes principal, interest, late charges and collection costs and continues to accrue \$40.00 monthly based on your original repayment plan.

# Collection Letter Body 1

- ▶ You have been given the opportunity to volunteer for a written repayment plan but to date have not opted to do so or made payment on your account.

## Collection Letter Body 2

- ▶ We have written you and advised you of the seriousness of your loan account but thus far you have not responded.

# Collection Letter Body 3

- ▶ We have attempted several times to compel you to respond to your loan obligation. We do not wish to take action to collect your outstanding debt but will if necessary.

# Collection Letter Close 1

- ▶ If you are experiencing financial difficulties and are unable to send payment for the amount due, we urge you to immediately contact this office to discuss deferment privileges and Rehabilitation options that may be available to you.

# Collection Letter Close 2

- ▶ If you are experiencing financial difficulties and are unable to send payment for the amount due, we urge you to immediately contact this office to discuss deferment privileges and Rehabilitation options that may be available to you.
- ▶ It is imperative that you contact us regarding this loan. If we do not hear from you we will be forced to send your account to collections.

# Collection Letter Close 3

- ▶ It is imperative that you contact us regarding this loan.
- ▶ If we do not receive payment on or before the 30th of this month your account will be sent to our collection agency. We urge you to contact this office without further notice.



# Text, Email and Social Media

- ▶ Texting
  - Has your student opted-in and did they agree to the terms of service?
  - Have they opted-out?
  - Have they changed their phone number?
- ▶ Are you sending payment reminders?
- ▶ Are you sending more than basic information?

# Text, Email and Social Media

## ► Email

- Does your student have a .EDU address and did they agree to the terms of service?
- What happens if they switch to a non-.EDU address
- Less is more (and safer) Consider that your email will be read on a smartphone
- How much is too much?

# Text, Email and Social Media

## ► Social Media

- Does your school have a social media presence and if so what ways are available for a student to connect?
- Should you instant message your student on Facebook?
- Should you garner information from Social Media sites?
- How should you use or not use information obtained from social media

# Questions

▶ Thank you