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LOANCOLLECTIONS &TECHNOLOGY

NEWS INDEX

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COLLINS UPGRADES SYSTEM TO RAMP UP COLLECTIONS

Collins Financial Services Inc. recently added several customized upgrades to its collections system to handle the rapid growth of its collections arm.

One of the top five debt sellers in the nation, Collins Financial, Austin, Texas, also has a 55-seat collections operation.

The company recently added the enhancements to a collections software package developed by **Sentinel Development Solutions**, Downers Grove, Ill., Collins brought live last year.

The customization performed by Sentinel was necessary to support growth in both the company's number of collections agents, and the number of accounts they each manage.

While Jeff Hazzard, the chief information officer at Collins who led the deployment, would not name the system Sentinel replaced, he said Collins got rid of the incumbent software because it needed a system that offered the ability to increase its number of users easily as the company grows.

Collins uses the stand-alone version of eCollections software, meaning the database is hosted at its site, instead of at the vendor's.

Because eCollections is based on SQL (structured query language) database technology, which is the standard program interface to a relational database, it provides Collins with the technology it needs to grow. That is because relational databases are easy to expand, and do not require as much technological expertise to use as other databases, particularly with the customized features Collins purchased.

Collins uses eCollections to support 55 collectors, but the company holds a 75-seat

Continued on page 2

BANKRUPTCY REFORM WOULD MEAN FEWER CHAPTER 7 FILINGS

Collections agents will have fewer Chapter 7 filings to deal with, if the bankruptcy reform legislation once again being considered by Congress passes later this year.

Unlike Chapter 13 bankruptcy, where debtors keep their property and enter into a court-approved 'wage-earner' payment plan, under Chapter 7 provisions, debtors ask the court to discharge all debts, while forfeiting personal property.

"From a collector's point of view, we're dead in the water. Chapter 7 bankruptcy is the end of the game," said Barbara Houck, president of **Credit Adjustment Services of Tennessee**, a collection agency in Memphis. "At least when they file for Chapter 13 protection, we have a chance to get back a percentage of the debt."

The proposed legislation includes new standards in applying for bankruptcy protection under Chapter 7, which would make it significantly more difficult for debtors to shield their assets from creditors.

Currently, both the House of Representatives and the Senate are attempting to reconcile differences that exist between their separate versions of the bill.

Under the proposed bill, anyone whose household income is more than his state's median income amount wouldn't be allowed to file for Chapter 7 bankruptcy if his monthly income (less certain payments he's already making, plus set amounts for expenses) would leave enough to pay off a small amount of their debt.

Specifically, if a debtor is found to have enough income to repay at least 25% of his

Continued on page 5

ONLINE BANKRUPTCY FILING GETS NOD FROM TEXAS COURT

As bankruptcy filings climb, more courts are beginning to accept the applications for such filings online.

The U.S. Bankruptcy Court for the Southern District of Texas, which includes Houston, the fourth-largest city in the nation, is the most recent court to announce that it will begin processing claims from online applications.

The move is part of an ongoing effort by the Administrative Office of the U.S. Courts to "replace aging systems" and speed the retrieval of information, said a spokeswoman for the government office.

The attempt to process applications more efficiently comes as a record number of personal bankruptcies — nearly 1.5 million — were filed last year in U.S. courts. That's 19% more than were filed in 2000. Of those, 77,021 were filed in Texas, the third-most bankruptcy filings for any state last year.

So far, two dozen bankruptcy courts and eight district courts are using the web-based system, which is called Case Management/Electronic Case Filing, or CM/ECF. While bankruptcy filings can still be submitted on paper, the paper filings are immediately scanned into the system and converted to electronic documents, said Judge William Greendyke, chief bankruptcy judge for the Southern District of Texas.

Courts nationwide are expected to be linked electronically by 2005.

One of the benefits of the system is that "people do a better job filing claims, because they think about what they are doing," said U.S. Bankruptcy Judge Louis Phillips. Phillips's court in Baton Rouge, La., was the first bankruptcy court to process all of its cases online, beginning in February 2001.

CM/ECF allows lenders to file their proofs of claim electronically, eliminating the need to mail documentation relating to loans that bankrupt debtors may have.

Probably the most famous bankruptcy case to be filed electronically was by **Enron Corp.**, which was filed on a Sunday last December in New York, Greendyke said.

COLLINS GROWS

continued from page 1

user license.

Furthermore, the company has some 875,000 accounts on eCollections, with a cumulative balance of more than $2.1 billion. Hazzard said Collins needed a system that would enable it to manage a significantly larger number of accounts.

"We do a myriad of things with the system, but mainly it's used for collections and skip tracing [tracing missing debtors]," said Hazzard. "What we needed, though, was a lot of customization."

That customization included features that enable agents and managers to easily move and manage multiple accounts.

For example, individual collectors can customize their own collections queues, while managers have more flexibility in manipulating and monitoring large numbers of accounts.

"We really needed to give individual collectors a higher degree of control over accounts," said Hazzard. "If they want to work West Coast accounts on a Wednesday night, then they can easily assemble a custom queue. They also have a system where they can include pop-up screen features across many accounts."

Hazzard said the technology has already enabled Collins to increase collections performance by over 30%.

"These are the kinds of tools we need," said Hazzard. "We can see this easily managing over two million accounts. And we're getting there very quickly."

Other customizations Collins required included features that allow an agent to change the way payment plans are structured; that provide virtual queue criteria capability, so agents can have a multitude of criteria to access and move accounts; and that enable electronic storage of credit bureau information.

"Having accounts managed appropriately is the key business focus, because you can have a few million accounts, but if they're not in the proper place at the proper time, the funds you've expended on the accounts are just wasted," said Hazzard.

For those evaluating similar technology, Hazzard urges them to first evaluate their business needs.

"Sure, everyone wants to increase accounts," said Hazzard. "But next year will that mean 100 additional accounts, 1,000 accounts or one million accounts?"

Hazzard explained that by not selecting a system a company can grow with, the company opens itself up to incurring costs associated with extensive customization, inevitably forcing itself to replace the system after a relatively short period.

For Sentinel, Collins Financial represents a banner account.

"They're not only an excellent customer because of their size, but also a great customer because they have such a preeminent position in the debt-purchasing arena," said Chris Roberts, a Sentinel spokesman. "Remember, Walt Collins [Collins Financial founder] was one of the original founders of the **Debt Buyers Association**. Most companies involved in purchasing debt have heard of Collins, so from that perspective, they are very valuable for us."

Outlook

RISING DEBT AND INTEREST RATES DRIVING GROWTH

NEW ORLEANS — With consumer debt mounting and interest rates set to rise, collection agencies are expected to generate more profits and manage more late loans.

"Your business is the one business that's not going out of business," *Chicago Sun-Times* financial columnist Terry Savage told a room of collection agency executives at **Thomson Financial's** 6th Annual National Credit & Collections Risk Conference here.

The need for collections services has risen, as a result of higher credit-card delinquencies and charge-offs as consumers struggle in the slowing economy. Meanwhile, higher interest rates mean higher debt payments, which in turn drive up deliquencies as debtors fail to manage their increased financial burdens.

This steady growth in demand for collections services at lenders and collections agencies is also being fueled indirectly by the overall consumer debt burden that has been climbing year after year.

According to the Federal Reserve Board, the debt service burden, or the proportion of after-tax income that households must devote to interest and principal payments on their outstanding liabilities, rose to over 14% in the second quarter of last year, closing out the fourth quarter at 14.3% — just shy of the record debt burden set in the mid-1980s of 14.38%.

More recently, a survey conducted by Media, Pa., research company **International Communications Research** found that 47% of survey respondents who paid less than the full amount on their credit card debt outstanding in February, paid only the minimum amount. Results of the survey, called the Cambridge Consumer Credit Index, are culled from telephone polls with more than 1,000 people nationwide.

Pressure on debtors could intensify, driving delinquencies even higher, should the Fed raise interest rates later this year as many economists expect.

"If you can get low rates, it's OK if you have lots of debt, but not if it goes the other way around," Savage said. That's because lower rates mean lower and more manageable monthly payments for borrowers.

Even without a rise in interest rates, which is far from a certainty, strong collections operations are becoming more critical to financial services companies, which want to control credit losses.

"We win or lose the game based on what happens in collections," said Barbara Thornton, senior vice president and chief credit officer for corporate credit risk at **Conseco Finance Corp.**, the subprime home lending unit of Carmel, Ind., financial services giant **Conseco Inc.**

However, although collections are becoming more important in shoring up shortfalls, there exist certain inherent roadblocks collectors continue to battle.

"Collections is the piece that no one likes — you are constantly testing, measuring, and evaluating," Thorton said.

To minimize the work involved in maximizing collections' potential, companies need to "learn what the data mean, and determine what's important, and what isn't," she added.

REPRINTS

Did you like seeing your name or company in *Loan Collections & Technology*? Share the news by reprinting the article and distributing it to your colleagues and customers. Reprint rights cost $350 per article. Printing costs an additional $0.15 per black-and-white copy or $1.40 per color copy. (Shipping not included.)
To order a reprint, call 800-320-4418 x101 or email mkrantz@rmgdigital.com.

CALENDAR

April 15-16 ACA International will host its "Foundational Training on Professional Practices" conference at the Flamingo in Las Vegas. 952-928-8000, or www.collector.com

April 18-21 The American Bankruptcy Institute is holding its annual Spring Meeting at the J.W. Marriot in Washington, D.C. 703-739-0800, abiworld.org

April 21-23 Baker Hill's rescheduled 10th Annual "Lending Technology Conference" still to be held at the Pointe Hilton Tapatio Cliffs Resort in Phoenix. 800-821-8664 x1260, or ltc@bakerhill.com

June 12-14 The **CBA** will hold its 4th annual National Collections Conference at the Hershey Lodge & Convention Center in Hershey, PA. 703-276-1750 or www.cbanet.org.

To have your conference listed in *Loan Collection & Technology's* monthly Calendar section, email the information to cmcguire@rmgdigital.com or call Craig McGuire at 212-206-8000 ext.103.

Q&A

CRM OUTSOURCING, A VIEW FROM THE TRENCHES

Roger Carney, president of **Sitel Risk Management,** a CRM outsource service provider for the collections sector.

Outsourcing valuable customer relationship management (CRM) processes is becoming more popular in the credit collections sector to drive down costs and boost efficiency. Loan Collections & Technology *recently spoke with Roger Carney, president of servicer* ***Sitel Risk Management Corp.****, the collections, risk management and debt servicing arm for* ***Sitel****, which has clients spread throughout the U.S., Canada, the U.K. and Germany, to discover what is driving the trend.*

Loan Collections & Technology: Why is CRM outsourcing suddenly so sexy?

Roger Carney: Actually, the momentum has been building in this space for quite some time, because [collections] is where CRM really matters and can make a difference.

LCT: How has CRM evolved over time in the collections space?

RC: In the late '80s, creditors wanted intervention, early, on high-risk accounts, based on behavioral scores and treatment patterns. That evolved into the CRM we see today. Now, more and more creditors are looking to outsource CRM, mainly because they heard of the cost advantages, and the efficiencies they could gain.

LCT: What else is impacting the space?

RC: The economic slowdown has put increased pressure on receivables. As the economy slows, every dollar out of the recovery process offsets future losses. We are seeing many layoffs, so there is more of a need for intervention early on.

LCT: Compare that with the last few years.

RC: Sure. During the dot-com boom, there

Continued on page 7

Capitol Hill

CHAPTER 7S TO RISE?

continued from page 1

debt over five years (the length of a wage-earner payment plan), he would be ineligible to file for a Chapter 7.

Meanwhile, under the proposed legislation, bankruptcy judges would have less discretion than they have now. Bankruptcy judges are responsible for approving payment plans, which include the amount of the debt to be repaid. They may decide any matter connected with a bankruptcy case, such as eligibility to file or whether a debtor should receive a discharge of debts.

With more stringent guidelines, as proposed under the reforms, judges will have less flexibility in deciding whether a debtor has enough income to repay some or all of their debts.

Essentially, that means, with the eligibility bar raised higher for Chapter 7 protection, more debtors will be forced into Chapter 13.

So while bankruptcy proceedings are always bad news for collectors, Houck, who collects in Memphis, which boasts the highest per capita Chapter 13 bankruptcy rate in the nation, says the legislation will help the collections industry, explaining collecting something is always better than collecting nothing.

"With a Chapter 13, debtors usually have five years, and take it from me, because we face a lot of 13s, a large number will always default and be dismissed from the program," said Houck. "That means they become fair game and their balance is due. Keep in mind, it's a difficult recovery, as they've just come off a payment plan, but still, it's now a collectible account.

"I've seen a lot of people, both personally and in the collections business, that will go in and file a Chapter 7 without an enormous amount of debt, but are looking to avoid certain bills or creditors," added Houck. "The purpose of the Chapter 7 was designed for people who have problems, but we find some people use it as a way of managing their budget."

Consumer advocates, who continue to lobby hard against the proposed legislation, don't agree with the banking-industry interests.

"This is a clear example of how the reform legislation defeats the intent of the bankruptcy code, which is to give people a fresh start," said Ira Rheingold, executive director of the **National Association of Consumer Advocates**. "By raising the bar for Chapter 7s, you can expect there would be a large number of people who won't be able to start over, who won't be able to save their property, because they would no longer be able to discharge their debts. This is going to hurt a lot of middle-income and lower-income Americans."

On the other side, the banking industry has lined up squarely behind more stringent Chapter 7 requirements.

"The bankruptcy code is broken, putting individuals who do not have the ability to pay in the same category as people who have the ability to pay, but choose not to," said Catherine Pulley, a spokeswoman for the **American Bankers Association**, an industry trade group. "The doors for bankruptcy should be open, and we believe this should be available, but those who have the ability to pay, should pay."

WHAT HAPPENS TO PERSONAL PROPERTY UNDER BANKRUPTCY LAW?

Once a bankruptcy is filed, all the property belonging to the debtor at the time, and certain other property to be received in the future, becomes the property of the bankruptcy estate. This means that the bankruptcy trustee will take control of this property for purposes of satisfying the creditors. However, there is certain property which is either excluded or exempt, and the debtor will be able to keep it. Property or asset exemption is determined based on the debtor's situation, income and laws of the state.

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Dossier

To appear in Dossier, please contact Craig McGuire at 212-206-8000 x103 or cmcguire@rmgdigital.com. In addition to the monthly Dossier feature, LCT *will also offer an annual* Buyer's Guide, *available later this year.*

JIM HUBBARD & ASSOCIATES INC.

The preliminary information you need to analyze whether this vendor is right for your company.

Profile: Jim Hubbard and Associates Inc. (JH&A) has provided debt collection software for nearly two decades, and now touts hundreds of clients spread throughout the U.S. Jim Hubbard, a Certified Public Accountant, founded the company after developing a computer solution for the legal collection environment, dubbed Collection Partner, in 1983 at a Mobile, Ala. law firm.

Address: 100 Union Hill Drive, Suite 200, Birmingham, Ala. 35209

Phone: 800.933.7995

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Web Address: www.jimhubbard.com

Products:

• **Collection Partner:** Collection Partner 7.1 is a comprehensive debt collection software package. The software allows users to prioritize daily collection activity and increase productivity by implementing a tracking system. users can also create status and management reports with the firm-defined reports option. Documents are printed upon request, or in a batch. Collection Partner also includes options such as automatically generated checks and invoices, and unlimited trust accounting. The system is designed to be flexible and to accommodate diverse collection practices including retail, commercial, medical, child support, subrogation, bankruptcy, unlawful detainer, mortgage foreclosure and more.

Pricing: Starts at $7,000

• **Partner-To-Partner:** Partner-to-Partner provides Collection Partner users with the ability to create their own legal forwarding network. This set of programs allows users to electronically transmit and receive, via the internet, claims, status information, demographic updates and accounting information. Partner-To-Partner offers users the ability to provide clients with consolidated reports and centralized auditing for all of their claims.

Customers: Jim Hubbard& Associates' customer base includes over 300 clients, including **Credit Acceptance Corp., Citicapital**; **TxCollect Inc.**; **Nationwide Credit**; **Risk Management Alternatives**; **Pender & Coward**, and others.

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WALL STREET WATCH

PERFORMANCE OF PUBLICLY-TRADED COLLECTION-RELATED TECHNOLOGY COMPANIES

Company	Ticker	Price3/28	Price3/11	%Ch.	P/E	52-Wk Hi	52-Wk Lo	Shrs.Out	Mkt.Cap	Avg Vol
American Mgmt. Syst.	AMSY	18.68	19.25	-2.96	49.97	25.04	10.25	41.7M	$791.6M	159,000
Alltel Corp.	AT	55.55	58.30	-4.71	16.53	65.15	50.01	310.9M	$17.2B	951,590
Computer Associates	CA	21.89	18.65	17.37	n/a	38.74	14.30	577.4M	$12B	6,364,681
CheckFree Corp.	CKFR	15.33	15.75	-2.66	n/a	43.15	10.93	87.4M	$1.32B	702,136
Computer Sciences	CSC	50.75	52.50	-3.33	51.45	53.47	28.99	170.9M	$8.62B	1,069,136
Davox Corp.	DAVX	8.00	8.70	-8.04	n/a	13.00	7.20	12.3M	$102.7M	47,590
NCO Group	NCOG	27.76	29.05	-4.44	28.18	33.10	11.00	25.9M	$721.9M	306,318
Ocwen Financial Corp.	OCN	6.59	6.60	-0.15	n/a	11.37	6.40	67.3M	$451.5M	57,318

ROGER CARNEY, SITEL

continued from page 4

was a slowdown, simply because the financial-services sector was so successful. Bad debt and delinquencies were low, so there wasn't that need there to make up half-a-percentage point here or there that you see now in the recession.

LCT: Why outsourcing?

RC: It allows people who specialize in a particular discipline to help reduce their overhead costs and increase productivity. Think better, faster, cheaper, because it involves a specialized focus on key processes.

LCT: How do you establish and ensure there will be accountability?

RC: If we don't achieve and hit targets, our revenue streams end. If in-house personnel don't hit their targets, they keep on going. There may be some restructuring or management changes, but they keep going. There's more accountability with outsourcing.

LCT: What are some of the other advantages?

RC: We're more focused on the handful of elements a customer want us to handle and only on that. We're not running every aspect of their business. Therefore, they're using an outsourcer in a specific, strategic way to manage their call center, as opposed to managing an entire staff for the same functions, and all the responsibilities and accountability that comes with that.

LCT: Specifically, what are the collections-related CRM tasks that can be outsourced?

RC: All of the inbound and outbound processes, letter servicing, dunning/billing notices, housing of data in some cases, aging of accounts/billing pattern of accounts, scoring and treatment sequences of accounts, the fraud accounts — anything that can happen to an account, and typically everything assigned to a portfolio. In essence, we can emulate all of the necessary functions.

LCT: In what stages of the collections cycle is CRM applicable?

RC: There are two primary functions that we focus on. The first is contact when you're 10 days pass due. We're working on your account and working it all the way through charge-off. The second focus starts right after the charge-off. In our collections and risk management world, these are two different businesses — the pre- and post-businesses.

LCT: What are some of the other advantages of using a service-based CRM provider?

RC: First of all, you're able to avoid a lot of mistakes. Using an outsourcer is using someone who has already worked out the kinks. Many people look at CRM and see it as simply systems or technology, but it involves an entire way of managing relationships. The backbone is the technology, but the most important aspect is the customer relationships. To develop that expertise in-house takes a lot of time, and can be expensive.

LCT: What fee structures are involved?

RC: It varies considerably. The services we offer are based on a whole host of applications. There are fees for services, and we sometimes work on an hourly basis. In collections work, fees are, more often than not, based on a performance basis, and performance dictates revenue and profits.

LCT: Is this how it usually works?

RC: In true CRM, the dynamic swings to more of a fixed-type fee structure. But in collections, the dynamic is more performance-based, where fees are paid based on results. That may entail retention of customers, taking someone who is a bad debt and reinstating, or other criteria.

LCT: Have you seen a rise in demand?

RC: Based on events of last year, we've seen a dramatic increase. The honeymoon, which was really a four-to-five year period, is over. There was interest, and the sector grew, but there just wasn't the same intensity to be better, faster and cheaper. Now, in light of the economic crunch, the demand is rising rapidly. They are hearing they can save X%, so let's move in that direction. There are some very compelling reasons to consider outsourcing, and the business would continue to grow rapidly, at least over the next three to five years.

LCT: What makes you confident in the continued growth of service-based CRM?

RC: I think it's going to continue, because there's a bit of a rubber-band snapping effect in the economy. That is, what happened a year ago significantly affects today and takes a significant amount of time to affect the collections world. So when placements and charge-offs are down, more people are able to pay. Similarly, when there are increased volumes, you're going to have fewer people able to pay.

LCT: What advice can you give to collectors considering outsourcing their CRM?

RC: Monitoring is incredibly important. On the collections side, as it is so performance-based, clients are intensely interested in monitoring or quality programs. Insist on some sort of monitoring program.

Techniques

WORTH REPEATING

"When people ask me, 'What if you spend time and money to train your collections staff, and they leave?' I answer, 'What if you don't spend time and money to train your collections staff, and they stay?'"
— Sharon Moore, senior vice president, **Security Finance Corp.**, Spartanburg, S.C.

CONSISTENCY CRITICAL FOR SUCCESSFUL COLLECTIONS

Finance companies must have a fixed set of policies and procedures in place to maximize the amount of money they collect from delinquent borrowers, said John Doyle, senior vice president of program development at **Universal Training**.

"Success in collections means following basic [principles] and sticking to them consistently," Doyle said.

Universal Training, Northbrook, Ill., specializes in training collectors for financial-service providers, among other things. Its roster of auto finance-company clients includes **Chase Automotive Finance Corp.**, **Honda Finance Corp.**, and **TFC Enterprises Inc.**

In addition to being beneficial to collectors in their daily routines, set guidelines also serve as a yardstick for collector performance.

"[Collection center] employees look for consistency in feedback," he said.

Following is Doyle's list of the "Top 10 Mistakes Collectors Make":

1.**Not following a consistent call pattern.** It happens not only with new recruits, but sometimes with more experienced people looking for shortcuts. For example, a more seasoned collectors may skip asking if the information he has is the most recent. Should he need to contact the debtor again, his data might be outdated.

2. **Not mentioning the specific amount due.** Instead of saying, "Hello, Mr. Smith, I'm calling about the money you owe ABC Finance Co.," collectors should say, "Hello, Mr. Smith, I'm calling about the $317.69 that you owe ABC Finance Co. for your car loan."

3. **Asking leading questions.** For example, collectors who ask, "Did you just forget to put that in the mail this month?" or "So will you be mailing that on payday?" are, in essence, feeding their debtors excuses.

4. **Scolding customers.** While it may tempting, collectors who scold borrowers are putting them in a position to avoid responsibility.

5. **Not listening to customers.** For example, a collector instantly loses credibility as soon as he asks when the debtor will be paid next immediately after being told he is out of work.

6. **Losing control of the call.** If the collector gets into a situation where he sympathizes rather than empathizes, that is an opportunity to lose money.

7. **Falling into customer "traps."** For example, if the customer asks to speak to a supervisor, the chances are that the call will then turn into an apology call, off the subject of collecting the amount owed.

8. **Using jargon.** For example, a collector who says, "If we don't take care of this today, you're going to roll into 90." Most borrowers are unfamiliar with collection lingo, and may not understand that if they do not make the prescribed payment, they will become 90 days late, and responsible for whatever late payments or fees go along with that.

9. **Interrupting customers.** Collectors cannot expect borrowers to hear what they have to say, if they don't listen to what the borrower has to say.

10. **Not having consistent policies and procedures.** For example, if a customer owes $943.86 for a payment that is late, plus the current payment, plus the late fee, and he does not have that much money, should the collector forgo the late fee? Which payment is second in line to be waived?

FAST FACTS

• Attrition rate of collectors within the first three weeks of hiring: 20%

• Attrition within the first 60 days of hiring: 30%

— Survey by **Management Recruiters of Woodbury**, N.J., and **Acadia Consulting Group Inc.**, Ridgewood, N.J.

Comings & Goings

JIM HUBBARD GETS NEW CHIEF

At presstime, *LCT* learned that Birmingham, Ala.-based debt collection software provider **Jim Hubbard & Associates Inc.** had named Gregory Jones to the newly-created position of chief executive.

Jim Hubbard, who founded the company in 1983, will continue as president.

COLUMBIA ULTIMATE HIRES INDUSTRY VETERAN

Columbia Ultimate Inc., a collections software provider based in Vancouver, Wash., recently hired Joel Milne as a senior account executive. He will be based in the company's Atlanta office.

Milne brings to Columbia Ultimate more than 13 years of sales experience. Previously, Milne served as president of **SSI Inc.**'s Recovery Systems Division and the U.S. subsidiary of **London Bridge Group Inc.**, Norcross, Ga., overseeing the senior management and strategic decision-making for the two divisions.

JCC, INC./PROSOURCE, INC., NAME BUSINESS HEAD

Minnesota-based sister companies, **JCC Inc**. and **ProSource Inc**., recently named Michael Ryalls as director of business development for both entities.

Ryalls brings with him more than 15 years of experience in subprime automobile, consumer loan and credit cards to JCC /ProSource.

Founded as a regional credit collections agency, JCC and ProSource's client list includes **Wells Fargo & Co.**, San Franciso., and others.

TECH BYTES

continued from page 10

to materialize, however.

"Today, electronic signature technology is mostly restricted to the business-to-business side of the lending industry," said Lauren Weinstein, the founder of **People for Internet Responsibility**, a Menlo Park, Calif.-based advocacy group.

"When you talk about moving it into the consumer levels, that's a whole different ball game, and it just isn't happening," she added.

The so-called 'e-signature' bill went into effect on Oct. 1, 2000. It specified that, in the U.S., digital signatures carry the same legal weight as a traditional signature written in ink on paper.

The law was intended to spur additional internet-based transactions by making e-signatures legally binding.

Tech Bytes

LONDON BRIDGE BUILDS 3RD-PARTY LINK TO ITS SOFTWARE

London Bridge Group, Norcross, Ga., will integrate its BridgeLink — an internet-based e-commerce network that connects collectors with their third-party service providers — to its Debt Manager collections and recovery software.

London Bridge's Debt Manager enables a company to seamlessly manage its entire collection and recovery portfolios, including complex collateral-backed portfolios.

The solution is based on relational database technology, which allows clients to quickly ramp up management capacity and manipulate data.

BridgeLink is an internet-based business-to-business service that allows London Bridge clients to automatically access and manage external services provided by outside vendors via an online transaction delivery network (TDN), while allowing the client to write the business rules for automating the processing of that information.

Essentially, by integrating BridgeLink into Debt Manager, users now have an end-to-end database collections and recovery solution that's fully integrated with an internet-based network. From their desktops, users will be able to link up to a range of third-party services, necessary in managing all aspects of the collections process.

These services include access to credit bureau information; skip trace services (to track down missing debtors); scoring agencies; payment services and more.

For further information visit www.london-bridge.com

CONCERTO SOFTWARE RELEASES CIM UPGRADE

Concerto Software Inc., the vendor formed when **Davox Corp.** merged with **CELLIT Technologies Inc.** earlier this year, recently released the latest version of ContactPro, the vendor's customer interaction management (CIM) solution.

ContactPro 4.2 is designed to improve collector's call-center productivity by enabling supervisors to manage all call center functions from a single administration point. The upgrade also allows agents to handle interactions across all channels, including voice, fax, email and the Web.

The new version of ContactPro offers a full spectrum of multimedia capabilities to route, monitor, record, report and administer all contact-center interactions, while adding enhanced email management. Furthermore, the addition of so-called secure sockets layer (SSL) support for web chat and collaboration provides added online security functions.

In addition to routing voice and web interactions, automatic workflow distribution technology enables true universal queuing and routing of all business inquiries, including tasks, tickets and work processes, utilizing each center's own business rules and agent skill sets.

For further information visit www.davox.com

SLOW ADOPTION OF ELECTRONIC CHECKS, SIGNATURES

Despite dozens of initiatives that have been launched over the last decade aimed at replacing paper-based payment methods with technology such as digital signatures and electronic checks, the collections sector, and lending industry as a whole, have been reluctant to implement these methods.

According to a report from **Meridien Research**, dozens of initiatives to replace paper checks with alternatives such as imaging technology have been stunted by a number of factors, including various cultural, behavioral, and regulatory hurdles.

"Efficiency remains the name of the game in check electronification," said Jeanne Capachin, research director at Meridien. ``Successful financial institutions will be those that remain focused on those e-check strategies that can improve their own and their customers' operational efficiencies. As history has shown us, consumers may inspire shifts within the financial services industry, but change will always happen first on the part of the financial institution and second on the part of the consumer."

Meanwhile, almost two years after Congress legalized the use of digital signatures, the lending industry has yet to embrace the technology.

The lackluster adoption rate has started to foster consolidation among e-signature vendors.

Recently, for example, **Identrus LLC** agreed to acquire **Digital Signature Trust Co.** for an undisclosed amount of cash and equity. DST was jointly owned by **Zions Bancorp.** and the **American Bankers Association**, a trade group. Both entities will gain minority interests in Identrus after the deal closes.

In a statement, Indetrus company officials said they still foresee greater opportunities for vendors to sell their digital signature and verification technology to consumers and lenders. The demand for these products has yet

Continued on page 9

Data Points

COLLECTION COMPANIES IN ATLANTA

Company	BBB Member	Rating	Complaints Filed*
Abacus Financial Management	No	Unsatisfactory	Yes
Action Receivables Management Inc.	Yes	Satisfactory	No
Active Service Corp.	No	Unsatisfactory	Yes
Allied Interstate	No	Unsatisfactory	Yes
Asta Funding Acquistion LLC	No	Unsatisfactory	Yes
Attention Collections	No	Unsatisfactory	Yes
Bank Card Services	No	Unsatisfactory	Yes
Bass & Associates, PC	No	Satisfactory	Yes**
BomarCredit Corp.	No	Satisfactory	No
C R B Service Company	No	Unsatisfactory	Yes
Checkcare Systems of Atlanta	No	Unsatisfactory	Yes
Credit Management Services	No	Satisfactory	Yes**
Financial Asset Management Inc.	No	Unsatisfactory	Yes
Finova Capital Corporation	No	Unsatisfactory	Yes
Focus Receivables Management L.I.C	No	Satisfactory	Yes**
G E Capital Commercial Accounts	No	Satisfactory	Yes**
GCI, Inc.	No	Unsatisfactory	Yes
Hanover Systems	No	Satisfactory	No
I B Concerns	No	Unsatisfactory	Yes
L D G Financial Services LLC	No	Unsatisfactory	Yes
Maxwell & Associates	No	Satisfactory	Yes**
Milliken & Michaels	Yes	Satisfactory	No
National Asset Management	No	Unsatisfactory	Yes
National Credit Systems Inc.	No	Unsatisfactory	Yes
Nations Recovery Center	No	Unsatisfactory	Yes
NCO Financial Systems	No	Unsatisfactory	Yes
OneSource Credit Solutions, Inc.	No	N/A	No
PRA - Portfolio	No	Unsatisfactory	Yes**
R M A Inc.	No	Unsatisfactory	Yes
Richwood & Associates	No	Satisfactory	Yes**
Risk Management Agency	No	Unsatisfactory	Yes
Risk Management Alternatives	No	N/A	Yes**
Szabo Associates Inc.	Yes	Satisfactory	No
The MIRS Corporation	Yes	Satisfactory	No
Transworld Systems, Inc.	Yes	Satisfactory	Yes**
Trauner Cohen & Thomas	No	N/A	Yes**
United Management Services	No	Unsatisfactory	Yes
Wizard Child Support Procuremet	No	N/A	Yes**

** The BBB keeps records on complaints filed only within the last three years.*

*** According to the BBB, the number and type of complaints are not unusual for a company in this industry.*