

# Sheshunoff™

Dear Customer:

In these challenging economic times, your institution can benefit by keeping collections activities efficient and effective. The enclosed update to *The Debt Collection Manual: Regulation, Law and Best Practices* provides you with the help you need to improve collections operations. This update focuses on the following timely topics.

- **What to Do with That Line of Credit?** A classic rock and roll song once asked “should I stay or should I go?” Well, that’s also the dilemma faced with open lines of credit during a recession. Do you close them and anger the customer or leave them open and risk further loss? We look at some helpful hints as well as regulatory requirements in Chapter 1.
- **Bankruptcy Trends.** Bankruptcy filings continue to gain momentum. The total number of filings in the last 12 months is up over 30 percent from the prior year. In addition, we have added recent bankruptcy statistics from the Administrative Offices of the U.S. Courts (See the section on Bankruptcy Trends in Chapter 7 and Appendix A.)
- **What Can Collections Marketing Do for You?** Consider all the efforts your financial institution puts into marketing loan and deposit products. Isn’t it worth it to promote your willingness to find solutions for delinquency? We examine the secrets of an effective marketing campaign promoting your customer-based collections efforts in Chapter 1. In Chapter 4 we discuss identifying your institution’s value proposition.
- **Don’t Underestimate the Power of a Staff Meeting.** These are tough days in the collections department. It seems like more bad news is always ahead and your team may be developing a bunker mentality. The solution? How about turning a regular staff meeting into a positive, operationally focused motivational session? See the details in Chapter 2.
- **How Undersecured Is that Real Estate Loan?** The declining real estate market continues to pose a significant risk to your real estate portfolio. Are you staying ahead of the curve? We look at the basics and benefits of HELOC risk assessment in Chapter 3.
- **What Is a Collector’s Primary Mission?** From correcting loan set-up errors to jump starting cars; ever feel like the collections department is the “dumping ground” of your bank and that all the unwanted tasks go there? Well, perhaps it’s time to focus management on the proper role of the collector so you can get back to the important parts of your job — like collecting money! See the section in Chapter 4.
- **Checklist for Securing Foreclosed Properties.** Still got foreclosures? From boarding up windows to locking up the hot tub, we examine the many tasks required to properly manage and secure a foreclosed property in Chapter 12.
- **Dating Websites as a Skip Tracing Resource?!** You heard correctly! Millions of people are using Internet-based websites to find their future Mr. or Mrs. Right. We’ll show you how to use the same sites to find delinquent skips. See Chapter 5 on Skip Tracing.
- **Always Plead Fraud in Court on a Fraudulent Loan.** If you suspect that a customer utilized fraud to procure their loan, the best thing to do may be to get a judgment against the customer. Better yet,

make sure your judgment reflects the fraud finding. Why? See the benefits of pleading fraud in Chapter 7.

- **How is your Collection Agency Weathering the Economic Storm?** With rising delinquencies and increased placements, most people think these are boon times with their agencies. Think again! Higher volume and lower recoveries may put your agency at risk and you don't want to be left holding the bag. See the section on third-party collection agency due diligence in Chapter 9.
- **Foreclosure Starts Continue to Climb!** Even with the foreclosure "moratorium" in many areas, the number of properties entering the foreclosure process continues to rise. Make sure your operations are keeping track of the trends in your area. See the statistical trends in Chapter 12 in the section on Changing Mortgage Environment.
- **The Latest Details on Government Foreclosure Prevention Programs.** Know the difference between HAMP and HARP? Well, if you don't you may be missing valuable opportunities to rescue delinquent home loans and prevent foreclosure losses. We look at several new foreclosure prevention programs introduced in 2009. See Chapter 12.

Our goal with Debt Collection Manual is to help you keep up to date with the changing collections environment. Please let us know how we are doing. You can reach us at 1-800-456-2340. You also can visit our web site at [www.sheshunoff.com](http://www.sheshunoff.com).

Sincerely,

Catherine Dillon  
Editor