

Let's Go Cardinals!



ARIZONA
COLLECTORS ASSOCIATION

Unit Update

First Quarter, 2009

Special points of interest:

- Taking Depression out of Recession
- March 6th Training Seminar Registration form
- DFI Luncheon Re-cap
- ACPAC

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President's Message - Chris Becraft

Take the Depression out of the Recession

If you are like most of us, the current recession is challenging for your business. Most people have the understandable misconception that the collection industry actually thrives during a recession, which of course is not the case. If a consumer is unable to pay our clients directly, their ability to pay doesn't necessarily change just because they are contacted by an agency. Our new business listings may be on the rise, but the additional inventory somehow seems to only increase our expenses at a time when collecting is harder than ever. What can you do to weather the recessionary storm, you ask? Let me share two ideas with you that I've seen make a big difference to us and other companies recently.

First, review your telephone contract. Prices keep coming down on telephone service and our

company saved 50 percent on our telephone bill recently by signing with a new carrier a few months ago. ACA International has a strategic partnership with American Business Communications who will help you analyze your usage and needs and will get bids on a new contract...all of it for free to you as an ACA member. Contact or log on to ACA International to find out about this great program.

Second, review your office space lease to see if there is room for renegotiation. Commercial real estate is in the dumps like everything else and landlords are cutting deals to keep or acquire good tenants. It might be worth asking.

If you want other ideas, I can promise you there are dozens of them to be harvested from your colleagues in the Arizona Collectors Association. If you're interested in not having to



figure out every solution for business on your own, I encourage you to attend our upcoming conference being conducted by MAP Attorney extraordinaire, Mr. Pat Esquivel from Jerold Kaplan Law Office, P.C. Not only will you be able to learn more about collection compliance and recent changes in our industry, but you'll get a chance to network and exchange ideas with your fellow agency members. One of these ideas may make all the difference to you and your business during these challenging times.

Keep up the good work returning money to our economy and to your clients. This recession will pass, just like they all do, and you'll be a better businessperson for it when you come out on the other side!

Our next training seminar..

"Hard Truths, Gray Areas and Outright Myths: Everything You Need to Know About Collection Laws But Wish You Didn't"

Join us March 6th, at 8:30 a.m. at Jobing.com Headquarters!
(Details and registration form inserted in this newsletter)

Growth Expected for Debt Collections

“over the next decade, employment of debt collectors is expected to grow by 23 percent”

According to the Bureau of Labor Statistics 2008-09 Edition of the Occupational Outlook Handbook, over the next decade, employment of debt collectors is expected to grow by 23 percent, which is much faster than the average for all occupations. Cash flow is becoming increasingly important to companies, and in these economics times, placing greater emphasis on collecting unpaid debts sooner. Not only are companies seeking to collect

debts that are relatively old, but also ones that are more recent leading to increased hires in the collection industry.

To serve as an effective resource and member benefit, the Arizona Collectors Association has partnered with Jobing.com to help brand the collections industry and assist with connecting great local employers such as your agency with great local candidates. Visit

<http://azcollectors.jobing.com> to post your open positions and for information regarding your member discount job postings with Arizona Collectors Association. Also, don't forget to join us at our upcoming Jobing.com Career Expo on Wednesday, February 11th. Call 602-200-6800 for more information.

- by *Monika Masciangelo, PHR*

*Community Relations Manager
Jobing.com - Your Local Leading
Recruitment Media Resource*

Lunch with the D.F.I. was a GREAT Success!

Last November, the Arizona Collectors Association hosted a luncheon with the Arizona Department of Financial Institutions (DFI) at the Jobing.com headquarters. Our guests from the DFI were Superintendent Felecia Rotellini, Assistant Superintendent Robert Charlton, and Senior Examiner Jack Watson.

While Superintendent Rotellini and Mr. Charlton spoke to our membership about their current roles at the DFI and the state of Arizona financial institutions in general, most of the presentation was given by Jack Watson, who works exclusively with collection agencies.

Mr. Watson first detailed some tips to successfully complete a DFI examination. These tips include the importance of

reading the pre-examination material thoroughly so that the agency will provide the specific information requested, index each item with the same number corresponding to the DFI worksheet, and when asked for trust account information for the most recent twelve-month period, the agency should provide information within two months of the exam date (i.e., if examination is November 21, 2008, provide twelve months of trust account information ending in August or September, 2008).

Mr. Watson said the first item he looks for when conducting a collection agency examination is the Exhibit "A" trust account spreadsheet, which is the twelve-month spreadsheet of all trust accounts, month-end client liability and operating account. If the

agency does not prepare this spreadsheet, then Mr. Watson is forced to prepare it. Mr. Watson then has to allocate more time to a single examination and causing delay in DFI's licensing process. We should all take away the idea that we need to prepare for examinations thoroughly so that the licensing process runs smoothly and efficiently.

Mr. Watson then turned his attention to consumer complaints. He indicated that harassment is the most common complaint about collection agencies in Arizona. The specific complaints that fall under this category are repeated phone calls regarding the debt, yelling and screaming at the consumer, calling the consumer names, and threatening and intimidating the consumer.

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“Our company found the experience with the DFI meeting to be extremely informative and productive. Thank you to the Arizona Collectors Association for providing this great opportunity.”
Robert Antenucci
President
J.R. Brothers
Financial, Inc

ACA International's Political Action Committee (**ACPAC**) is working hard to help ensure we have a senate and legislature that is collection industry friendly. Through **ACPAC** contributions, ACA's government affairs staff works diligently to support candidates that support our industry. It also lobbies our government to support legislation that benefits those in our industry.

Why is ACPAC important to collection professionals?

ACA has become a force to be reckoned with on Capitol Hill. **ACPAC** contributions have allowed ACA to be instrumental in guiding state and federal regulators, legislators and other policymakers to make decisions that have greatly improved our industry.

Helping promote lawmakers and laws that are beneficial to the

collection industry is easy - contribute to ACPAC!

ACPAC Candidate Fund:

Contributions specifically support candidates who promote legislation that benefits the collection industry. Individuals may contribute any amount up to \$5,000 per year. It is important to note that **corporations are unfortunately prohibited from contributing** to this fund as doing so is in violation of federal election laws.

ACPAC Administrative

Fund: Contributions cover the costs associated with fundraising campaigns and events. There is no minimum or maximum amount that may be contributed to this fund and corporations and individuals may contribute.

Contributions of any amount can be made by check, money order or credit card directly to ACA. There are two forms that must be

completed in order for a Candidate Fund personal contribution to be accepted. These forms are available at www.azcollectors.org/acpac.htm

No form is needed for Administrative Fund contributions.

Questions regarding ACPAC should be directed to ACA International at 952-928-8000 or email them at acpac@acainternational.org.



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Lunch with the D.F.I. continued...

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Another common complaint against agencies is regarding disputed debts. Mr. Watson explained that disputed debts are often cancelled from the agency and returned to the client, who, in turn, sells the debt or refers it to another agency. When this happens, the dispute is never resolved and typically results in a complaint. Mr. Watson said that the best way to avoid this type of complaint is to remove the disputed debt from the

consumer's credit report at the time the account is returned to the client.

While harassment is the most common complaint about collection agencies, Mr. Watson explained that the four main reasons that the DFI might have to issue a disciplinary order against a collection agency are: 1) Having a shortage in a trust account, 2) failure to register a change of control within the agency, 3) having an expired license, and 4) having a lapse in bond coverage.

During the question and answer period, Superintendent Rotellini made the announcement that she is working toward implementing an electronic licensing procedure.

Overall, the lunch meeting was a terrific success! Those in attendance provided feedback that it was great opportunity to learn more about the DFI and be able to spend some quality time with those that are tasked to regulate our industry.

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To learn more about the Arizona Collectors Association and information on how **YOU** can get involved, please visit our website at:

www.azcollectors.org

When visiting our website, you will also find upcoming events and seminars, Board of Directors and Membership directories, past newsletters, and much more!!!

Visit us on the web at:
www.azcollectors.org

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