

5 Secrets Most Collection Agencies Don't Want You To Know

1. Some of your files are never worked.

Many agencies use a computer model that looks at the former resident's credit score, balance size and other factors to pick out a few files it thinks are the most likely to be collected. Unfortunately, the majority of accounts do not meet these requirements. Most files will only receive one letter and one phone call. The collection agency will report to the credit bureaus and just wait for the person to call back (which rarely happens).

Avoid agencies that use a scoring model. Partner with a company that consistently calls 100% of your former residents.

2. Accounts that are called are easily given up on.

Callers are paid by the hour so most agencies will stop calling an account after a few months if there has not been any progress made.

Ask if they will give you 24/7 reporting that shows the phone activity for each former resident's account so you can be sure the files are being worked instead of warehoused.

3. Machines call instead of real people.

Have you ever gotten one of those robotic messages that says, "Please stay on the line for an important message while your call is being connected" or you pick up and there is a two second delay while the call is being transferred?

It's an obvious sales call and people hang up. Find out if your agency uses auto-dialers to churn through the calls.

Choose an agency that only uses live callers on every call instead of auto-dialers.

4. Collection agencies only care about money – not about managing your reputation.

Bully tactics are still common in the collection industry.

If your agency is yelling and threatening your former residents that will hurt your reputation in the local community and with the online review sites.

Look for a company that maintains your reputation by using respectful recovery. A negotiated approach of explaining the debt and giving your former residents options will almost always work better than just demanding the balance.

5. Collection agencies don't specialize.

If you had a heart problem would you want to see a general doctor or a cardiologist?

Most collection agencies focus on medical debt and credit card debt and just view apartment collections as a side business.

These agencies will just put the multifamily debt on the person's credit and move on to the easier types of collections.

Just think about it. A hospital patient who owes money is not going to dispute that he went to the doctor. His address is still the same. These medical accounts are relatively easy to collect. It's the opposite with your situation. Former residents often dispute terms of their lease. As you know, they rarely leave a forwarding address.

It costs the collection agency money to run skip tracing searches and make consistent follow up calls. Most companies look for ways to cut costs and neglect accounts that they don't have updated information on.

Even some companies who have "rent" in the company name are just divisions of larger corporations that do many other things.

Be careful of using an agency that also tries to sell you resident screening and eviction services. These are fixed-fee services, not contingency-based. Since the company is already making guaranteed money on the former resident, they have less incentive to invest lots of time and money making consistent phone calls that may not result in payment.

Choose a company that generates 100% of its revenues from contingency collections for the multifamily industry. Avoid agencies that also do evictions, resident screening or debt collections for other industries.

I'm Kevin with Rent Recovery Solutions, a collection agency that specializes in the multifamily industry.

The reason we're able to recover more money than other agencies is because we consistently work all of your files regardless of the former resident's credit score, size of the balance, age of the account or the property profile.

All calls are made by real people who are trained to respectfully explain the charges and negotiate a payment arrangement.

I'll be personally responsible for your account. When you call me today, I'll answer your questions and take care of all the details.

Thanks and I look forward to helping you,

Kevin Cortese | Marketing Executive
Rent Recovery Solutions
Ph: 678.819.4042 | 800.335.0119 x203
Em: kcortese@rentrecoveryolutions.com
www.rentrecoveryolutions.com

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