



United Credit Service Inc.

Licensed Debt Collection Agency

Your ARMor

The UCS Newsletter, providing accounts receivable management and debt collection insights.

With the commitment to maintaining the important balance between

Results and Relationships.

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Gratitude

Hi Shirley,

thank you for always treating me with respect when you would call. I'm sure you're their #1 collection person. Could you please send me the paid in full letter for both accounts.

Sincerely,

a consumer

Dear Kathy,

Thank you for all of your help.

Best,

Greetings!

Rules are important. In society, where people interact, they provide the necessary guidelines to what behavior is acceptable and what is not. I remember back to when I took History of the World and learned about the very first known civilization in ancient Mesopotamia and the Code of Hammurabi. This Code is an impressive set of almost 300 rules (or laws) complete with corresponding consequences (or punishments) that dates all the way back to 1772 BC. Believe me, it's no coincidence that the first known civilization is found with a huge set of rules, all literally (yes literally) set in stone.



Code of Hammurabi

Let's face it; rules are one of the first things we learn about as children--at least they should be. Studies have shown that children do better and thrive when rules are given, boundaries are established, and structure is provided. Same can be said for businesses. But, with that being said, I got to tell you, ours is probably one of the most extensively regulated industries around. And we take all rules and regulations that govern our business seriously. It doesn't matter if they are local, state, or federal laws; here at UCS compliance is king! Compliance is so important it is listed as one of our guiding principles. We have a compliance officer, but understanding compliance is a language each and every team member must be fluent in and this can only happen with ongoing training which we are committed to providing.

I know I mention our mission statement and principles a lot in my correspondences. This is because I think everyone: team members, business partners, and prospective clients should understand our business

a consumer

Thanks for your understanding on me paying my bill.

a consumer

I want to thank you and let you know how much I appreciate your understanding. Please tell the agency to continue to be nice and understanding. There are people who appreciate it.

Thank you so much again,

a consumer

philosophy which is the operational touchstone that unifies our focus as a company.

A lot of our focus centers on conducting ourselves with honesty, integrity, and professionalism in *all* of our business dealings, not just those with clients. It's important you know your consumers will always be treated with respect. It's an important part of our commitment to maintaining the important balance between **results and relationships**.

Best regards,



The Five W's of Legal Collections Cox

by Jim



The debt collector will exhaust all avenues of voluntary payment prior to making the decision to litigate to enforce collection of a debt. In some cases, litigation is just not a practical or economical solution and the debt likely will never be collected. In many cases though, the decision to sue or not (to sue) a claim is predicated upon the decisions made by the creditor at the time the debt was created. Generally, the creditor does not go into a credit transaction thinking he/she will need to litigate to collect the debt, and therefore, does not

adequately insure against a loss. Whether or not the debt is backed up by a written instrument (aka-contract), most of the time the creditor gets paid back. The percentage of revenue for the average creditor that is deemed to be "bad debt" is well under 2%. In most cases, the creditor has factored a percentage of loss into the "bottom line" profit, so the saying goes: "There's no such thing as an unpaid debt". This means that the creditor raises the price of goods/services to reflect a certain level of loss due to credit potentially gone *bad*. When this occurs, the creditor has a decision to make: Should I: a) start a small claims court action; b) lawyer up; or c) refer to collection agency professional. There are pros and cons of all three choices, and there is also a fourth choice of writing it off and doing nothing. Most creditors will not opt to write off a debt and do nothing due to their

emotional involvement in the transaction, and when the word gets out that a creditor does not pursue a bad debt the problem exacerbates itself when other consumers with weak credit morals find out about this.

You can deduce that of the 3 other options, two will go (more or less) straight into a litigation status, with the collection agency being a step by step approach to debt recovery. The debt collector generally earns a commission upon collection and does not wish to spend any more than it takes to motivate payment from the debtor. It is much less costly to collect a debt on a voluntary basis without legal intervention, regardless of which option the creditor chooses. I have found that in most instances where the creditor takes a debt into small claims court a judgment is awarded in favor of the creditor, but that judgment does not get paid. In a very high percentage of these cases the creditor doesn't properly prepare the case prior to filing a lawsuit. This is where we need to examine the five W's of legal collections: Why, What, Who, Where, When.

Why: "Why hasn't the debtor paid as agreed?" You should try to answer this or uncover an answer by contacting the debtor to demand payment. Maybe you won't be successful in your efforts to contact the debtor, but then you can assume there is no legitimate reason as to why the debt remains unpaid. Had there been a reason the debtor should have communicated that during the attempts you made to communicate. If a reason is uncovered you possibly may be able to avoid legal action and resolve the debt through a dispute resolution process without the time and cost of a court action. This is something a collection agency would do prior to litigation.

What: "What is owed?" What is the exact amount of the debt including all payments and/or adjustments made to the balance. If you are adding any amount to the original balance it must be agreed to in writing between all parties to the transaction. This would include any finance charge or interest that is over and above the statutory rate. Credit grantors often falsely think that stating a rate of interest on a printed invoice is contractual between the parties when either one was unaware of it or didn't expressly agree to it at the time the debt was incurred.

Who: "Who is it that owes you the debt?" Information is key in successful legal collections. You need to know the full names of all parties to this credit transaction. In a state where there are marital property statutes the spouse can be held liable even though they may not have been a party to the transaction. This could be the case where the debt incurred is considered to be incurred in the best interest of the family/marriage. Such a debt may be a medical bill for a family member or a utility bill to heat the home or an auto repair bill for the family vehicle(s), etc. Many creditors will sue only the party they dealt with at the time business was transacted. This could be a mistake when you try to enforce collection of a judgment. If the debtor is a business you must know the full legal name of that business and how that business is organized: (Sole proprietorship, Corporation, Partnership, etc.)

Where: "Where should the debt be sued?" Proper venue is required in a court action. The written contract may state where any legal action can be undertaken. If this isn't stated, then you will need to take action in the county/state of the debtor's primary residence. If you operate a business near a county or state border you will need to prepare to litigate in different venues based on the circumstances of each debtor. Other than county of residence, litigation may be

commenced in the county where good/services were purchased if a signature was obtained from the debtor. Filing suit in the wrong venue (state/county court) could be costly to you when the judge dismisses your claim due to this reason. If this is done intentionally, the court could take action against you, as could the debtor.

When: "When was the debt incurred?" Each state has a legal timeframe in which you can bring a court action to collect a debt. You must know that time frame so that you file your case before it expires, or you don't file a lawsuit on an uncollectible debt. This time frame is known as the "Statute of Limitations", whereby the debt is termed as "Outlawed" when the statute has run on the debt. In Wisconsin, the term is 6 years from the date of service or last payment. Thereafter, the debt is considered legally uncollectible and must be written off.

Proper litigation can be undertaken when these W's are known. Each state, and in some cases each county within the state may have its own set of rules that must be followed in a court action. The court filing fees are set by statute so generally the same statewide with minor exceptions. You pay a filing fee to the appropriate court to file your case, the court issues a summons and complaint and serves the defendant(s) with notice of this case. A court date is set and the case is heard by a court commissioner or a judge (elected official). Where a case is disputed by the defendant a new date is set for a full hearing. During this timeframe the parties try to settle the dispute to their satisfaction, and if successful the case is dismissed. The parties may agree to a repayment plan in writing and a "Stipulated Dismissal" is filed with the court. Another likely scenario is the defendant may not appear in court and the plaintiff (creditor) will receive a favorable (default) judgment entry for their claim. The judgment, when docketed in the court records, becomes a lien on any real property owned by the defendant(s).

This is where it is important to sue all parties to the transaction and use their correct names. This holds true where you sue a business entity too. If you sue "Jim's Burger Joint" but the business's legal name is different you have taken a useless judgment. Business(es) like individuals may own real property and a correctly entered and docketed judgment will become a lien on title. An incorrectly entered judgment doesn't become a lien on anything and can't be collected from the party (or business) that owes the debt. It's like suing the wrong party and a waste of your time and money.

Other legal remedies to collect a court judgment could include supplemental hearing or citation to discover assets so as to uncover assets that may be attached to pay the debt. Bank accounts, employment, stocks/bonds, accounts receivable, real estate owned, etc. State statutes will dictate what assets are available to the judgment creditor. Quite often, wages earned up to a certain percentage are legally attachable to satisfy the judgment debt. If a debtor has other withholdings such as child support, or if the debtor receives government assistance, they may not be subject to a wage garnishment. Where possible, these factors need to be investigated and confirmed in advance of litigation.

It is important to do your homework and gather information before you decide to litigate so that your potential for a successful outcome is enhanced. Just like building a home, the foundation must be solid if the house is to stand for any period of time. In the debt collection arena our foundation is INFORMATION. This is what will determine your success in recover

ACA International Files Comments Supporting United Healthcare's TCPA Petition

The TCPA is the Telephone Consumer Protection Act, which was passed into law in 1991. It was enacted by Congress in an effort to address the growing number of phone calls made by telemarketers. The Federal Communications Commission (FCC) issued rules and regulations implementing the TCPA which then went into effect on December 20, 1992.

In 2003, the FCC, along with the Federal Trade Commission (FTC), amended its rules under the TCPA so it could establish the national Do-Not-Call list.

On January 31, 2014, the Association of Credit and Collection Professionals, (ACA International) filed a petition with the FCC, asking for clarification and modifications to the rules governing the TCPA. These efforts are part of ACA's integrated three-prong effort (legal/litigation, regulatory, and legislative) to reform the TCPA.

ACA International is seeking to:

- Confirm that not all predictive dialers are categorically automatic telephone dialing systems.
- Confirm that "capacity" under the TCPA means present ability.
- Clarify that prior express consent attaches to the person incurring a debt, and not the specific phone number provided by the consumer at the time a debt was incurred.
- Establish a safe harbor for autodialed "wrong number" non-telemarketing calls to wireless numbers.

On March 10, 2014, the Association of Credit and Collection Professionals, (ACA International) filed Comments to the Federal Communications Commission (FCC) in support of United Healthcare's Petition that is looking to address mobile phone number reassignment issues under the Telephone Consumer Protection Act.

In its Petition, United Healthcare (UHC) is seeking a declaratory ruling to make it clear that callers are not liable under the TCPA and the FCC's rules when making informational, non-telemarketing, autodialed or prerecorded calls to wireless numbers for which they have obtained prior express consent, when these numbers have been reassigned to others without the callers' knowledge.

In their Comments, ACA suggests that the FCC establish a safe harbor for non-telemarketing calls to apply in those circumstances when the caller had previously obtained appropriate consent and had in good faith intended to contact the person who had consented to be called.

ACA also agrees with UHC's assertion that there is nothing to gain by making informational, non-telemarketing calls described in UHC's and ACA's petition to anyone other than the specific person who had provided the prior consent to be called.

To see a copy of the filed Comments of ACA International click [here](#).

Our Litigation Program; a Review

After all other traditional collection programs have been exhausted, and an

extensive asset and employment search is completed, United Credit Service, Inc. may recommend litigation as the next step to bad debt collection. UCS has a list of lawsuit criteria that must be met before litigation is recommended. After a business partner determines our recommendation is the best way to proceed and signs an authorization, UCS will advance all court costs and pay attorney fees as well as handle all litigation processes (e.g., small claims, civil court, dismissals, judgments, and wage garnishments) using our network of knowledgeable attorneys. We work closely with our attorneys and in most cases our business partners do not have to appear in court in order to obtain a judgment.

- **Asset Search** - Our state-of-the-art databases allow us to efficiently and effectively locate the debtor, their employment, and other attachable assets.
- **Network of Attorneys** - We have a network of attorneys who are very knowledgeable in the field of creditor's rights and remedies. Our attorneys have been screened and field tested for their ability to achieve results.
- **Adjudication** - Once a judgment is received, our work is not done, UCS will follow-up and take necessary steps to assure payment on the judgment.
- **Interest Accrual** - A court judgment accrues interest on a monthly basis. UCS will calculate and accrue interest on every judgment until paid or closed. Accrued interest is either collected or used as a bargaining tool to obtain payment in full at a reduced amount.

Fun & Games - Be the first to submit the correct answers and win a prize!

Spring Trivia

1. According to folklore, which animal has the power on February 2nd to predict whether spring will come early or be delayed six weeks?
2. The final weeks of college basketball takes place each spring. This time is referred to as What?
3. Fill in the blanks. During the first day of spring, the sun rises due _____ and the sun sets due _____.
4. For Australians and others in the southern hemisphere, in which month does spring begin?
5. Many tourists flock to our nation's capital (Washington D.C.) each spring to see the blooming of which type of tree?

To submit your answers [click here](#)

Answers to last quarter's game
Holiday Entertainment Trivia:

1. What is the name of the Grinch's dog in the movie "The Grinch Who Stole Christmas"? **Max**
2. What kind of animal is King Moonracer, the ruler of the Island of Misfit Toys, from the movie "Rudolph the Red-Nosed Reindeer"? **Winged lion**
3. In the movie "A Charlie Brown Christmas" Charlie Brown's five year old sister wants money for Christmas. What is her name? **Sally**
4. In the 1946 classic "It's a Wonderful Life" what was George Bailey's wife's name? **Mary Bailey, played by Donna Reed**
5. In the 1947 version of the movie " Miracle on 34th Street" Who played six-year-old Susan Walker? **Natalie Wood**



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