Maximizing Collections

with Smarter Digital Communication Strategies

With a collective $1.66 trillion in credit card debt alone, many Americans struggle to meet their financial obligations. **Finding more efficient ways to collect this staggering amount of debt, without increasing staffing and postage costs, is top of mind** for leading accounts receivable management companies.

Digital engagement can make a big difference when it's used according to the types of customers you're targeting.

Collections historically have relied almost exclusively on phone contact, with some letters sent by post.

Text and email is an exciting and more cost-effective avenue for reaching people and collecting on balances.

Why digital?

With digital communications, you can:

1. **Reduce** postage costs by **50% or more**.
2. **Reach consumers in ways they prefer** to engage, such as via text with payment portal links.
3. **Confirm** official demand letters were delivered via email at **no additional cost**.
4. **Increase delivery speed** over traditional print and mail.
5. **Speed up** your rate of collections.

Get started with a smart digital strategy

It all begins with understanding your compliance risk, which is challenging given myriad changes since the Fair Debt Collections Act was enacted in 1978.

A few things to keep in mind:

- **Reg F** created the ability to use text and email for third-party collections.
- **Consent comes in two forms:** implied and express. For consumers, express consent makes it easy to pay with just a click within a payment portal.
- **Logging/tracking contact:** use detailed reporting to make workflow decisions on how and when to use digital effectively.
- **7 in 7 rule**—which limits contact to no more than 7 times in a 7-day period—encompasses all contact including print, digital and telephone engagement.

Drive delivery and engagement

Top important consideration:

Understand your current letter cost by letter type:

Identify your most frequently sent letters outside your Model Validation Notice (MVN) or other regulatory required notices.

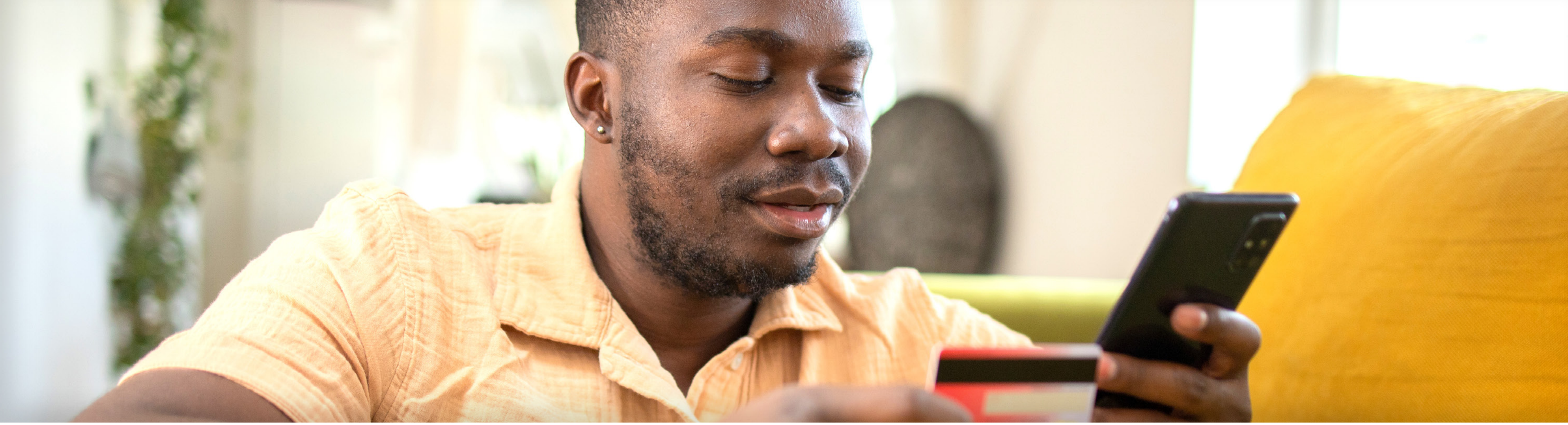
Secondary important consideration:

Understand your business/client types. Specifically, what kinds of consumers you're reaching out to and the types of debt you're trying to collect:

Financial debt
All financial debt—credit cards, consumer loans, retail, auto loans have a very precise rate of collection and typically do not require password collection.

Medical debt
In addition to PHI and HIPAA concerns, understand what is approved by the client as well as whether the documents need password protection.

Primes vs Post-primes
The older the debt, the more precise collectors must be to avoid spending more on collection costs than is possible to collect.



Digital drives connection...

Consumers use digital methods to self-pay in all realms of their consumer lives. Why should paying outstanding debts be any different?

And for collectors, digital allows payments to be collected **without the need for phone interaction** and compliance oversight (an obvious cost and time saver!).

Use digital outreach
to empower consumers to self-pay via links to payment portals.

...and more cost-effective engagement

Thanks to digital engagement, collection agencies are **cutting postage costs between**

50–75%

Use digital methods to **more cost-effectively** send other collection-related correspondence, such as original contracts, formal dispute letters, balance review letters, paid-in-full letters and more.

Digital Matters

Collecting debt is hard work.

- Competing against agencies who employ digital engagement can put you at a **competitive disadvantage**.
- **Managing collection costs is crucial** in an industry with thin margins, rigid regulations and high human resource expenses.

Consider digital engagement as part of your collection strategy for better results, lower costs and greater cost-effectiveness.

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