

MISCONCEPTIONS

“We've used the same agency for years with no problems”

Is a presumption of compliance really worth the risk?

Companies used to believe that a long history and a strong track record with a collection agency were good enough but that isn't the case anymore. Debtors are eager to sue for any violation that your agency commits; remember, a good offense is a strong defense.

Loyalty is a virtue but blind loyalty is dangerous. The only way to prove a collection agency is legally compliant is with License Numbers and State Certificates.

“I get great rates from my agency now”

Can you really afford to use an unlicensed low rate agency?

Using a low rate agency was always a popular way to reduce costs but people now realize that their low rates likely means their agency isn't spending any money on licensing.

It costs almost \$500,000 in cash and credit to be properly licensed, bonded and insured across the country. If they are not compliant it means that they;

- Don't have the credit or capital to get it done.
- Don't have the background to pass the scrutiny.
- Don't care about breaking the law.

“We use attorneys so licensing issues don't apply to us”

Licensed agencies are cheaper, faster and are held to the same code of ethics; are attorneys really the best option?

Companies who use attorneys do so because attorneys are bound by a code of ethics that ensures their debtors are handled properly.

Those same companies now realize that collection agency licensing requires adherence to the same code of ethics. Now agencies give their clients the best of both worlds; professionalism with fast results at a good price.

“We have so few problems we rarely if ever use a collection agency”

No matter how little you would use an agency wouldn't you want to protect your company from any potential risk no matter how remote?

Companies that have a more exclusive customer base have always made outside collections a low priority and rightfully so. Debt gets written off or simply forgotten about over time.

These same companies now realize with today's competition every dollar collected is critical to the bottom line and using licensed agencies is a sound credit decision.