



April showers bring May flowers.....blah, blah. I am ready for some heat. Speaking of heat, this month's tip is the hottest of the 9 Red Hot Ingredients from our Spice It Up! Book. I hope you enjoy it!

Collection Tip of the Month

Dave and I were conducting a seminar a couple of weeks ago and someone from the audience asked us what is the single most important element for successful collections. In perfect harmony Dave and I replied at the same time "**Timing.**"

Sending accounts to your collection agency on a timely basis is the single most important factor in improving your recovery rates. The following is our recommended time line for sending accounts to your collection agency. The timeline starts 30 days after you have sent your initial bill.

Week 1: Review your 30-45 day past due accounts. Make 1st collection phone call (if no contact - send Past Due Letter now).

Week 2: Review your 46-60 day past due accounts. Send past due letter or make collection call.

Week 3: Review your 61-75 day past due accounts. Make 2nd collection phone call or send final letter.

Week 4: Review your 76+ past due accounts. Send delinquent accounts to your collection agency.

We realize that no two offices have the same billing process. Some bill daily, some bill weekly, some bill monthly, etc... So timing will vary from office to office. The key here is to make a schedule and stick to it.

Dedicate 30 minutes a week to improving you're A/R collections and you will start to see improvement immediately. In a month, you will have reviewed your entire past due accounts from 30 – 75+ days old. Waiting until the end the month to do it all is too burdensome and will continue to be put off for another day. The next thing you know, they are 365 days old and very hard to collect.

This timeline is recommended if the letters and phone calls did not prompt the



patient to contact you. If you had contact with the patient and received a promise to pay, then you may want to extend the timeline. Be careful! People will make you promises that they have no intention of keeping. If the patient promises to pay and has not, but has kept in contact with you to inform you of their situation then they are probably sincere with their intent to pay. If you see that the only contact with them is prompted by your phone calls then they are likely stalling.

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Ask yourself why you are holding the accounts. If you are working them and having success, keep it up! If they are sitting in your “To Do” pile, send them to your collection agency because you are losing money. The longer you wait, the harder it is for your collection agency to contact them. People with financial problems often move. Some do not leave a forwarding address. People with delinquent accounts often have more than one debt. The longer you wait the further down the “To Pay” list you fall.

The U.S. Department of Commerce conducted a study on the probability of collecting on an account based on aging. No big surprise here. The longer you wait, the less likely you are to get paid. Here are some of the facts:

<u>AGING IN DAYS</u>	<u>PROBABILITY OF PAYMENT</u>
180 DAYS	40%
210 DAYS	30%
270 DAYS	20%
365 DAYS	8%

As you can see from the graph, in the first year the probability of you collecting a past due account drops by 10% every 30 days. So if you are not working your accounts, get them to your collection agency as soon as possible.

Associate Spotlight

This month's associate spotlight is on Rachel Brunson-Dews. Rachel has been with CDA in the Collection Department for one year and has over 20 years' experience as a collector. The thing Rachel likes to do the most is advise consumers on making the best decision for their financial situation. In her spare time, she enjoys spending time with her daughter and other family members. She also enjoys watching sports especially the Chicago Cubs.



Collection Industry News

In past newsletters, I have written about the Consumer Financial Protection Bureau (CFPB) and the consumer complaint portal that they developed. The CFPB has been collecting consumer complaints for over a year. In that year, out of 31,000 complaints against collections agencies, CDA has received only 4 complaints through their portal. All 4 complaints were handled within 15 days to the consumer's satisfaction and the complaints are considered closed by the CFPB. We are very proud of our results. Here is an article that expands on the complaints received by the CFPB:

Consumer complaint volume nearly doubled from 91,000 in 2012 to 163,700 in 2013, according to the Consumer Financial Protection Board's Consumer Response Annual Report.

The top three complaint categories last year, according to the CFPB:

- **Mortgages:** The number one most complained about consumer product was mortgages, accounting for 37% of overall complaints. For these approximately 60,000 complaints, consumers were most concerned with problems when they were unable to pay, such as issues relating to loan modifications, collections or foreclosures.
- **Debt collection:** Debt collection was the second most complained about category, accounting for 19% of overall complaints even though the CFPB did not begin accepting debt

collection complaints until July 2013. For the approximately 31,000 debt collection complaints, consumers were most concerned with collectors attempting to collect debt not owed, communication tactics by the collectors and collectors taking or threatening illegal action.

- Credit reporting: The number three most complained about category was credit reporting, accounting for about 15% of overall complaints. For the approximately 24,000 complaints about credit reporting, nearly three out of four consumers were concerned with incorrect information on their credit report.

The CFPB expects companies to respond to complaints within 15 days and to outline the steps they have taken or plan to take. It expects companies to close all but the most complicated complaints within 60 days.

Companies have responded to more than 93% of the complaints sent to them for response, and consumers have disputed only 21% of those company responses.

The CFPB has seen monetary relief for consumers in about 7% of complaints. This includes median amounts of \$460 for mortgage complaints, \$126 for credit card complaints and \$111 for bank accounts or services.

Sometimes, companies respond with non-monetary relief. Overall, an estimated 11% of complaints fall into this category although for credit reporting complaints that figure rises to one out of three. Consumers have received a range of non-monetary relief in response to their complaints, according to the CFPB report, including:

- Foreclosure alternatives: Consumers have received mortgage foreclosure alternatives that help them keep their home;
- Protection from debt collectors: After CFPB inquiries, debt collectors have stopped engaging in excessive collection communications with consumers;
- Restored lines of credit: Consumers have had their credit lines restored when they wanted, or removed when that was their desired outcome;
- Corrections to credit reports: Consumers have had their credit reports cleaned up either by having correct submissions given to credit bureaus or by having credit bureaus correct inaccurate information about their consumer accounts; and
- Customer service: Many consumer problems are related to unanswered inquiries or incorrect information. After CFPB involvement, many customers had their formerly unmet customer service issues finally resolved.

The Dodd-Frank Wall Street Reform and Consumer Protection Act,

which created the CFPB, established the handling of consumer complaints as a key part of the CFPB's work. The CFPB began operations in 2011 by accepting complaints about credit cards and expanded in 2012 to include complaints about mortgages, bank accounts and services, private student loans, auto loans and credit reporting. In 2013, it began taking complaints on money transfers, debt collection and payday loans.

How Can I Earn CEU's By Attending a CDA Seminar?

Many of you belong to various professional medical office management associations and are looking for industry professionals to conduct a seminar at your local or state meetings. CDA is now offering a free seminar called "9 Red Hot Ingredients to Fire Up you're A/R Collections in Just 30 Minutes a Week?" for your medical or office managers association. We just conducted the seminar for the American Association of Professional Coders and they received 1.5 CEU's towards their professional certification for attending. Also, we were approved by the American Academy of Medical Administrators are allowing their members 1.5 CEU's for attending a live seminar or webinar.

You can view a short video on the seminar by going to <https://www.cdac.biz/spiceitup>

If you are interested in learning more about how you can bring our seminar to your association, please call Dave or Tony.

Thank You For Your Trust!!

We are looking to help more clients like you. The greatest form of flattery is when one of our clients refers us to one of their colleagues. If you know someone that can benefit from our services, let us know and we will be glad to follow up.

Chef Dave's Kitchen

GRILLED ITALIAN HAMBURGERS

Original recipe makes 6 sandwiches

1-1/2 pounds lean ground beef
1/2 pound bulk sweet Italian sausage
1-1/2 teaspoons minced onion
1/2 teaspoon minced garlic
1 teaspoon Italian seasoning
1-1/2 teaspoons light olive oil
1/2 teaspoon salt
1/2 teaspoon ground black pepper
1 teaspoon anise seed
2 tablespoons melted butter
3 baguettes (14 to 16 inches), halved crosswise and split

1.Mix the ground beef, sausage, onion, garlic, Italian seasoning, olive oil, salt, pepper, and anise seed together in a bowl until thoroughly combined. Chill in refrigerator at least 1 hour. Mix again after refrigerating. Divide the mixture into 6 portions and form into oblong burgers with rounded edges, approximately 4 inches wide and 12 inches long. They should be somewhat thin.

2.Preheat an outdoor grill for medium heat, and lightly oil the grate. Also, preheat an oven to 250 degrees F (120 degrees C). Lightly brush the butter over the cut sides of the baguettes.

3.Cook on the preheated grill until the burgers are cooked through, 7 to 8 minutes per side. An instant-read thermometer inserted into the center should read 160 degrees F (70 degrees C). About 5 minutes before the meat is finished, lay the open baguette halves on the grill and brown each side until toasted. Place each burger into the baguette, close the baguette, and then wrap snugly with aluminum foil.

4.Bake the wrapped sandwiches in the preheated oven for 15 minutes before serving.

All the best,

Tony Muscato, VP of Sales

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