



Protecting Your Bottom Line: Optimizing Your Debt Purchasing, Selling and Collections Strategies

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Presenters

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Making The Decision to Sell Your Debt

Rationale for selling debt

- Accelerated and often predictable cash proceeds
- Reduction of long-term collection costs
- Accommodate volume peaks & valleys without adjusting staff
- Turn a zero on the books to a recovery overnight (or faster)!

Account portfolio sale methods

- Bulk, individual sales of grouped accounts
- Forward Flow Agreements- set price over an extended period of time

Challenges of your first Fintech Debt Sales

- Chain of Title
- Buyer Vendor Approval
- Closing docs
- Local courts acceptance and lack thereof regarding signatures

What and When you can Sell Debt

By vintage/segments – pre-charge off, post-charge off, zero agency, post-agency, etc.

By geography – national vs. state-by-state

By specialty – Chapter 7 & 13, judgments

Out-of-statute vs. In-statute

By quality – prime vs. subprime

By balance

Portfolio Pricing Factors

- Asset Type
 - Auto, RV, Truck etc..
 - Year Make and Model (Luxury vs. Standard)
 - Secured/Unsecured/Lease
 - Deficiency Balance or Still on Street
- Borrower Type
 - Consumer vs Business
 - Credit Grade (A-D)
 - Demographics (Age, location)
- Account Balance
 - Principal
 - Interest/Fees
 - Forgiveness
 - Other
- Age of Account at Point of Sale
- Collection Treatment
 - Collection Treatment Flow Chart
 - Percentage of Skips
 - Amount of Asset Verification
 - Any Accounts Litigated, Settled or Judgments obtained
- Account Integrity
 - Quality of Documentation
 - Accuracy of Balances
 - Detailed Payment History, including post judgment if applicable

Selecting Debt Buyers to Bid

- Reputational Risk
- Best Practices and Industry Standards
- Certified Companies (RMA International)
- Financial review
- References
- Large vs. Small Buyers – Local / Regional / National

What Happens to your Accounts after Sale?

- Resale- Restrictions?
 - Pre-Approval or Assignment mandate options
- Data Security
- Negotiate definition of a “buyback” and time frame
- Post Sale Support
 - Media/Affidavit
 - Direct Payments
 - Correspondence
 - Dispute process

Beware of the Highest Price Trap

Why the high bid isn't the only factor?

- Key to debt buying is a reasonable purchase price.
- Debt buyers historically can only collect so much.
- Steep and inflated market pricing risks both the buyers finances as well places stress on collection tactics.
- Sometimes it is better to take less and deal with the most trustworthy buyer.
- Be cautious of bids outside the pricing curve

Before the Sale- Optimizing Collections and Recovery

Steps to get the most out of your portfolio

- Analytics
- Internal and Third Party Data
- Decisioning Technology
- Analytics and Data to Determine the Optimal Time to Sell