



Smart debt collection. The right collection agency.

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**DEBT COLLECTION:  
WHERE CULTURES COLLIDE**

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### About Me



Smart debt collection.  
The right collection agency.

- Higher Education Industry for 29 years
  - » Worked on the Pre and Post Default side
  - » Higher Education Experience:
    - ✓ Federal Student Loans
    - ✓ Client/Customer Service
    - ✓ Collections
    - ✓ Sales and Marketing
    - ✓ Business Development
    - ✓ Compliance
  - » K-12 Music Teacher

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### About Us

Since 1986

- » National Reach
  - ✓ Jacksonville (Headquarters)
  - ✓ Phoenix, Louisville
- » Multiple Security Tools
  - ✓ ISO/IEC 27001 - Information Security Management Systems
  - ✓ SSAE-16 - Auditing & Internal Control Standards
  - ✓ PCI DSS - Safe Handling of Sensitive Information

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### About Us

Since 1986

- » Licensed and Certified in all States Required
- » Zero Verifiable Complaints
- » Student Recovery Experience
  - ✓ Vice President - Ops Manager for DoED contract
  - ✓ Salesperson - 29 year of Higher ED
  - ✓ IT Director - 19 years, 5 specifically with Higher Ed
  - ✓ Director and 3 Collection Managers - 4-6 years

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This information is presented for educational and discussion purposes. It is not to be construed as legal advice. You should consult your legal counsel with any questions you have.

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### Business Culture

Consistent and Compliant debt collection system

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Financial Responsibility  
(for the school and the student)

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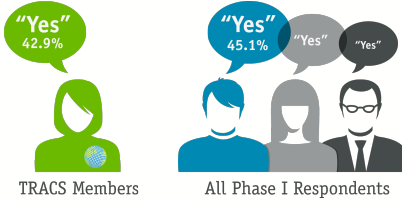
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### Business Culture

How many of you currently use a collection agency for student debt collections?



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### Business Culture

Why a school doesn't use a collection agency:

- Balance of the amount due/number of accounts past due didn't warrant the need **77.8%**
- Used one in the past - little or no results **22.2%**
- Past due accounts managed by General Counsel **11.1%**
- Debt collection is against our beliefs **0%**
- Threat to our school's reputation **11.1%**
- Contingent fees are too costly **0%**

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### Business Culture



“Who knows why?  
Short sighted and lack of realizing the money we could get back.”

“I’m not sure.”

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### Business Culture

David Glezerman  
Assistant VP/Bursar  
Temple University



“In today’s market, just like the chicken or the egg, what comes first - compliance or collections?”

Guest Contributor  
*Collections IQ* - Fall 2014

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### Business Culture

Selecting an Agency Partner

5,000+ Collection Agencies nationwide

What have you heard?

It’s about YOUR Cash Flow

“Professional” Debt Collector

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## Business Culture

### "Top 10 List"

1. Fully Licensed, Bonded and Insured
2. Experienced with Educational Debt
3. Experienced with Type /Age/ Balance of your Accounts
4. Willing to provide Audited Financials
5. Discloses Collection Process & Plan

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## Business Culture

### "Top 10 List"

6. Separate Account
7. Ease of Communication
  - » Fee Structure
  - » Single Point of Contact
  - » Reliable
  - » Use of Technology
  - » Agreement is Concise and Easy to Understand

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## Business Culture

### "Top 10 List"

8. Reports
9. Training Program
10. Low Risk
  - » Membership in Trade Associations
    - ✓ Actively Involved
    - ✓ Conference Attendance
  - » Complaint Record



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## Business Culture

### Do Business with a "Professional"

- ❖ Sales Approach
- ❖ Salesperson
- ❖ References



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## Business Culture

### Who are the Players?



The School



The Agency

The Student Debtor



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## Business Culture

A careful selection of a Professional Third-Party Collection Agency will:

- » Strengthen your Bottom Line
- » Help you Retain Borrowers
- » Lead to a More Profitable Institution

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**When Cultures Collide...**

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**Cultures collide**

Finance Professionals	Admission Counselors
Every dollar owed is vital to keep our school open and growing.	We need to get more students in the door.
What about those students that are paying?	They will pay eventually/this is a Christian school.
Internal account management effectiveness.	Just call and set up a payment with the student.

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**Cultures collide**

Finance Professionals	Student / Debtor
Every dollar owed is vital to keep our school open and growing.	It's a school, they don't need my money. Other things to pay for.
What about those students that are paying?	Too bad for them. Nobody is contacting me. I thought the money was free.
Internal account management effectiveness.	School's contacted me, but they will forgive my debt if I wait long enough.

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### Cultures collide

#### Do any of these sound familiar?

Are you working to change the situation /culture of the student? Suggestions:

- Financial Literacy - when what, and how often
- Policies for indebtedness to the school
- Reporting policies
- Financial Responsibility Agreements
- Appeal to their sense of being an adult

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### Financial Literacy

When - When they are selecting your school/orientation  
Parental involvement - they are the role models

What - Seminars, on-line session, integrated into a course, paid consultant services, peer testimonials, current debt amounts and payment information for those amounts

How often - Each new year  
Completion of school

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### Financial Literacy

Kris Alban  
Vice President, iGrad



and Politics.”

“Influencing a national adoption of financial literacy is one of the core topics in education. There are three reasons for this  
Data, Technology

Guest Contributor  
Collections IQ - Fall 2014

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### Policies

- Written repayment policies
- Promissory notes and or financial agreements
- Communications with the student about the debt
- Availability to report to the credit bureau

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### Policies

- Due dates are just that, the **DUE DATE** - have exception policy but use it sparingly.
- Debt collection plan (now and in the future)
- Maintain **compliance** with your collection process
- **Debt to the school must be repaid** (Mind set of leadership, staff and faculty)

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### Reporting the debt

- Utilize the credit bureau to report delinquent debt
  - Schools advise students upfront that if their accounts become delinquent/default that it will be reported
  - Use your collection agency to offer this service
  - Disputes will happen, how are they handled
- Compliance** - Never say the debt will be reported if it will not be  
**Instead**, say it may be reported  
**FCRA**, Fair Credit Reporting Act

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### Financial Responsibility Agreement

- Have form signed the beginning of school
- Use as your safeguard for A/R surprises
- Explain student responsibilities for debt incurred
- Explain consequences of non-payment
- Never too late to start using this form
- Allows the school to recoup their costs of collection

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### Financial Responsibility Agreement

For a sample checklist used to prepare a Financial Responsibility Agreement email:

[cindy.schick@ncc-business.com](mailto:cindy.schick@ncc-business.com)



Remember to consult your legal counsel when you develop this agreement and prior to utilization.

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### Treat like an Adult – Culture shift

Appeal to them as an adult. They are at least 18 now.

You may become their parental figure.

Guide, Teach and Train = Expectations

Give them responsibilities and expectations.

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**QUESTIONS?**

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**Thank You**

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**Cindy Schick**  
VP Business Development  
NCC Business Services, Inc.  
888-264-3510 | 605-228-2388  
[cindy.schick@ncc-business.com](mailto:cindy.schick@ncc-business.com)

[education.nccbusiness.com](http://education.nccbusiness.com)

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