



Alliance Collection Service, Inc.
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Mission Statement: *Our mission is to be the very best at what we do, to provide services to our clients that are high in quality and reasonable in cost and to do it right the first time, every time.*

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Updates to Our Website

We recently updated our website and it includes information about our company, what tools we utilize to collect money from debtors and also frequently asked questions for clients and consumers. Consumers can email us with questions on their accounts and potential clients can log onto our website to find out how to become actual clients. Your patients can request information about their accounts and receive timely responses from our collectors. If you have any suggestions for information you would like to receive via our website feel free to call us with those suggestions.

Pre-Authorized Demand Drafts

A pre-authorized demand draft is a useful tool in many collection and payment circumstances. However, it can only be legally created and negotiated under specific situations. Pre-authorized demand drafts, also known as "checks-by-phone," "auto

drafts", and "speed pay," are properly created under the Uniform Commercial Code Section 3-402, as codified by state laws.

The UCC Section 3-402 provides that a person acting, or purporting to act, as a representative of the account holder can sign a check for the account holder. This can be a debt collector, so long as she is authorized by the consumer to create a pre-authorized demand draft.

In order to authorize the debt collector to create a demand draft, the consumer must provide his checking account number, routing number, check number and specific authorization to create the draft. The authorization does not need to be provided in writing it can be provided orally. Regardless of how it was provided, the debt collector must be sure to document the authorization provided by the consumer. The burden is on the creator of the draft to show that the creator has the requisite authorization to create the demand draft. In order to protect themselves, many collectors record the authorization, with the consent of the party, or send a notice to the consumer stating the authorization was received. This then creates the documentation needed in a legal setting to overcome the burden of proof.

It is not permissible for the debt collector to presume she has the authorization of the consumer or to create a pre-authorized demand draft without the consumer's explicit authorization. For example, a collector cannot use a check that was previously written in payment of the debt to obtain the account and routing information to create a demand draft. The consumer must explicitly authorize the collector to create a demand draft for a specified amount.

Collector Magazine

Sub-Prime Lending Issues

By now, everyone has probably heard about the slow down in the mortgage industry. Interest rates are creeping up, foreclosures are on the rise and the so-called "sub-prime" sector, where loans are made to people with low credit scores, has all but collapsed. With all this bad news, is there a silver lining? It turns out the answer is yes.

The "sub-prime" industry has played a big role in the recent housing boom. Basically, it is an entire industry that made mortgage loans to people with bad credit, low equity and limited income documentation. These questionable practices ultimately led to a record number of foreclosures. Wholesale mortgage lenders that made these loans have suffered. Thirty-eight companies have gone under since the end of 2006 and more will follow.

So where is the good news? The good news is the mortgage companies that are making strategic plans to stay in business have decided to adopt more "make sense" lending practices. One of these steps is to require people to pay off collection debts that show up on their credit. There was a time when these collections were just ignored. Borrowers were able to forgo financial responsibility and simply act like the bad debt did not exist. Those days are over. Going forward, borrowers will have to be more concerned with collection debt, including medical bills. The end result should be that your accounts receivable department, and the broader collection industry, will now have a stronger position in collecting payments. "Make sense" mortgage lending practices will always go hand in hand with personal financial responsibility. This renewed sense of responsibility should, in turn, make all of our jobs easier.

*Jesse Hamby
Tennessee Sales Director*

Employee Profile



Jesse Hamby, Tennessee Sales Director

Jesse is new to the Alliance team. He was born and raised in southeast TN in Benton, TN. He is a graduate of the University of Tennessee, Knoxville. He has worked in sales for 12 years in television, the mortgage industry and now collections. His wife is Jennifer Sullivan Hamby and they have no children. He enjoys reading, seeing live music in Nashville and relaxing in his cabin in the Cherokee National Forest. His professional focus is to spread the word in middle Tennessee about the innovative, creative approach Alliance takes to collections.

12th Anniversary Thank You

On our 12th anniversary we at ACSI would like to extend a special "thank you" to you, our clients and friends. Without you we would see no success and we sincerely appreciate your trust and your business.