

# The Art of Collecting is Becoming More Complex

With debt affecting much of the population, collections remains a major need across lending institutions.

Nearly 2 in 5 U.S. households carry credit card debt month to month<sup>1</sup>

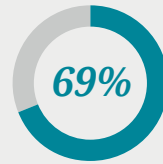
**33% increase from 2015<sup>2</sup>**



Over 8% of credit users have delinquent debt in collections<sup>3</sup>



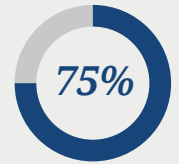
According to a recent Harris Poll survey, the majority of consumers have debt<sup>4</sup>:



69% of Baby Boomers



80% of Generation X



75% of Millennials & Generation Z

**IN A RECENT LEXISNEXIS® RISK SOLUTIONS-SPONSORED PHONE SURVEY, FIRST PARTY DEBT COLLECTORS CITED A MYRIAD OF CHALLENGES THROUGHOUT THE DEBT COLLECTION PROCESS:**

## Data Hygiene



Lack of time or technology to address duplicate, inaccurate and incomplete data, or to manage disparate databases, impacting downstream processes.

## Scoring & Analytics



Segmenting accounts to prioritize which to pursue first (i.e., which are likely to pay, which are more urgent, the best way to collect from them, etc.).

## Contact & Locate



Bad data slows customer outreach and can create regulatory issues around right party contact. Larger organizations must track regulations across state lines and time zones.

## Mitigation



Collectors will work with consumers to come up with a payment plan or a way to work within the consumer's situation to pay back debts owed.

## Litigation



Constantly changing regulations often favor the consumer, making staying compliant hard for collections departments, leading to litigation activities.

Regulations are top of mind and have the potential to impact every step of the process

### Telephone Consumer Protection Act

- Bans calls before 8 a.m. or after 9 p.m. without consent
- Limits the frequency of calls, texts and emails
- Increases the opportunity to get in contact with a consumer

### Consumer Financial Protection Bureau

- Limits the depth and scope of collections communications
- Consumers must 'opt in' to cell phone communications
- Limits contact methods available for use and requires collectors to distinguish type of phone number(s) on file

It's also important to understand generational communication preferences to improve collections success and the customer experience

### Baby Boomers

### Generation X

### Millennials & Generation Z

Tend to Prefer



Call Collection Letter Email Call Text Email

Best to Avoid



Text Email Collection Letter Call

Want to know more about the most common pain points experienced by First Party Collectors, and how to overcome them? Contact us today at [risk.lexisnexis.com/collections](http://risk.lexisnexis.com/collections) or call **1-800-747-3958**.