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2020 Virtual Conference Wrap-up Inside

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INSIDE THIS ISSUE



features

The Secret Connection Equation11
Mary Shores

Reorganization Strategies for Companies Impacted by COVID13
Hunter Johnson

ARM Alert – Q3 2020 Review.....17
Michael Lamm

Conference Wrap-Up19

departments

President’s Letter from Ron Brown..... 5

Executive Director’s Comments 7

Legislative Report15

Professional Education and Development.....27

CollectPAC29

Collection Marketplace.....38

Index to Advertisers38



Cover Photo: Daingerfield State Park, courtesy of TPW. Autumn (Fall Season) is upon us. We would like to wish everyone the best fall possible. Have a terrific Thanksgiving and stay healthy and safe!



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A Personal Message from Ron Brown



Well my friends and business associates, 2020 is drawing to a close and we have endured a very challenging year. Almost everything we have done and the manner in which we did it has abruptly changed and in many instances come to a complete halt.

New words and phrases have been introduced into our vocabulary such as COVID-19, social distancing, contact tracing, pandemic, coronavirus, rona, doomscrolling, covid bubble, virtual conferences, PPE, elbow taps, and many more.

We, as an industry, have had to either shut down or improvise, adapt, and overcome. We had to, and unless there were government edicts shutting us down, we did.

There were a lot of conversations related to having our annual conference... should we chance it and have a face to face, should we have a virtual conference or should we just skip it all together this year.

The decision making came down to the wire and all the pros and cons of each option were discussed and the consequences pondered, and a decision was finally reached.

It was decided that the first conference of the newly formed Southwest Collectors Association would be a virtual conference and would be held on several consecutive days.

Our association owes a huge debt of gratitude to Tom Morgan for his foresight, untiring effort and enthusiasm which convinced the board members that a virtual conference would be successful.

Tom put together a team to handle the technical side led by Mike Gibb who performed flawlessly and kept the meeting

proceeding as was planned. Tom convinced our loyal vendor partners that their time and money would be well spent and worth their efforts and I was excited just watching Tom as he worked tirelessly behind the scenes throughout the conference to make sure that everything ran smoothly.

We must also thank the presenters who gave of their time and knowledge to bring quality educational programs to the attendees. I have had numerous members compliment the presentations, stating how much they enjoyed and benefitted from the content.

Last, but certainly not least, we must thank the members of SWCA and other ACA Units who attended the conference for without attendees there would be no conference.

I look forward to a new year, a new year filled with hope of a vaccine for COVID-19, a return to normal for our industry where we can all get back to our everyday normal routines and resume doing the things which dictate who we are but I will never forget the resiliency displayed by the members of our industry in 2020. I will always remember how we, as a dedicated group, stood and faced the challenges head on, embraced the adversities and turned them into advantages in an effort to not just to survive but rather to prevail.

My friends and colleagues... stay safe, live long, and prosper.

Ron L. Brown

Ron L. Brown, President
Southwest Collectors Association

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This is how I began my column last year. I think I missed something!
It's Time! Time to put 2019 "to bed" and Time to prepare for 2020!



As we go into the holiday season, we wish for each of you to close out a successful year in 2019. A lot has happened this year; the CFPB issued its NPRM (finally), the industry and many others have commented, and now we wait some more for the (?) Final Rule sometime in 2020.

Yup, I missed something; we all did, including the "experts!" The COVID-19 virus was not thought to be any worse than the common flu. They missed the mark!

And unfortunately, the virus is still with us. Working from Home, Social Distancing, Lockdowns, and other restrictions are also still with us. But we press on (because we have to)! There is some degree of hope; as I write this, there are now (reportedly) THREE possible vaccines on the horizon. So, we hope and we continue to do what needs to be done to protect our businesses, our employees, our families and ourselves.

As an Association, we were finally able to merge (TX+OK) to form a new unit within ACA International, the Southwest Collectors Association (SWCA). We held a meeting of the membership and elected new officers, unit directors and, subsequently, new national delegates. In addition, the membership approved a new dues structure for the unit.

The next big thing was pivoting from a face-to-face conference to a virtual (Zoom) conference. Together we learned a lot about going virtual. The conference program committee did a fantastic job coming up with 36 (yes, 36!) possible conference subjects. We did some combining and some winnowing to come up with the 12 sessions that were held (virtually of course) over three days. The feedback from attendees regarding the program was very positive. The best news out of a virtual conference is that we could record all 12 sessions and they are available upon request to info@texascollectors.com (free to all SWCA members).

Beginning on page 19 you will see our "Conference Wrap-up" section. We certainly want to extend thanks to our Exhibitor/Sponsors for being willing to join us virtually. That meant a lot to our association. If your company uses one or more of them, be sure to give them a big 'Attaboy' as they deserve it. If you are in the market for new vendor partners, check out this list, they are the 'cream of the crop.'

Pages 22 and 23 highlight the true 'STARS' of our conference, the men and women who gave of their time and talents to share their knowledge and expertise with our attendees. We had a lineup that no other association or unit of our size could muster. For those members who were unable to attend, you missed out (so check out the videos).

Page 24 has some special recognitions; our keynote speaker, Melvin Adams ("Mr. Globetrotter"); Danny Cantrell and his Solutions by Text team; and, not to be missed, Harry Strausser who did a fantastic job assisting me in preparing for the conference and then moderating over the three days.

Following the conference, we started something new; Free Webinars! Debra Ciskey kicked off the series with a session on compliance issues for frontline staff. Attendance was great with 77 people registering. The second webinar is scheduled for Thursday, January 21, 2021 with Mary Shores. Watch for more information to be sent out within the next couple of weeks.

Finally, it's Fall, a time for families gathering together for Thanksgiving, a time for football (at least to some extent) and, not to be forgotten, MEMBERSHIP RENEWAL! Please take the time to renew your ACA and SWCA memberships. Keep in mind why we exist; for education, keeping members informed and up to date on legislation and regulation that affects you, our member. We exist also to intervene on behalf of our members with regulators and legislators in Washington, DC, Austin and Oklahoma City. Better to catch a bad piece of legislation (or regulation) prior to it becoming the law of the land.

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The Secret Connection Equation

By Mary Shores

Think about some of your closest friendships. What people are you the most connected with? Now, think about why you're so connected to them. Maybe your friends are loyal. Maybe they're honest. Maybe they make you laugh. Maybe they bring out the best in you. Whatever the case may be, there are reasons why you're more connected with them than anyone else, and that connection feels special to you.

What if I told you that you can be connected to anyone, even a consumer you've never met and know very little about?

Well, I have a secret: You can. You can forge a connection with any other human being, even the strangers you talk to on the phone. All it takes is a special equation of specific attributes that create a human connection.

The best part? This equation can drastically improve your overall attitude toward work, as well as recoveries. It will also decrease complaints to clients.

It seems like a dream come true, right?

So what is this magic equation? It's actually pretty simple:

Trust + Rapport + Confidence = Connection

Believe it or not, these variables are essential on the collections floor in the 21st century. The way many collectors are currently trained showcases a baby boomer mindset—one that focuses on pride and responsibility. That said, we're now in the millennial era. Consumers are more likely to make decisions based on their feelings. It's important that we begin to accommodate that mindset.

Because consumers are going to make emotions-based decisions, we need to appeal to their emotions. We can do this through connection.

Let's dive into how each of the equation variables works together to create strong human connections.

Create Trust — All humans have a basic set of emotional needs that need to be met before they can feel comfortable talking to another person. Trust is one of these needs.

Think about how your friendship with your best friend started. How did you develop a sense of trust with him? Maybe you complemented one another. Maybe you shared

some vulnerable thoughts with each other. Whatever the case may have been, you had to somehow develop mutual feelings of trust to move the friendship forward.

Creating trust with a consumer will be surprisingly similar. Having a debt can be a major source of insecurity, and most consumers feel embarrassed and defensive when they're speaking to collectors. Luckily, even though you're a stranger to them, you can still create a sense of trust that will piece together a much-needed connection.

Note: You cannot move on in a conversation with a consumer until you build trust.

Let's break this down. When you're on the phone with the consumer, you have a unique opportunity to speak with him about a vulnerable subject in his life: A debt. As he outlines the issues he's having with paying this debt, you have the chance to make him feel heard.

All humans want to feel heard and understood. You get to decide to make every consumer you speak to feel this way. And the way you can do this is simple: You need to validate what he's saying.

You can validate a consumer by explaining that you relate to or understand what he's saying. For example, if a consumer says he's struggling to pay rent this month and he can't make a payment today, you can simply say, "I understand what you're saying. A lot of people are telling us the same thing. You're not alone."

Immediately after saying this to the consumer, he'll feel more relaxed because he knows he can trust you to listen to his concerns and address them appropriately.

Build Rapport — After you've built trust with the consumer through a validation, it's important to build rapport.

When you and your best friend were developing your friendship, you had to forge some sense of rapport. After all, if the two of you didn't get along, you never would have become friends in the first place. How did you create that rapport? Maybe you found common interests to talk about or told each other life stories. Somehow, that rapport developed, and you made it happen.

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Reorganization Strategies for Companies Impacted by COVID

By Hunter Johnson
Managing Director, Tophill Advisors

Unfortunately, the COVID-19 recession has left many small businesses in financially stressed situations. Traditionally distressed businesses think of Chapter 7 and Chapter 11 as being their options when facing turbulent times. Chapter 7 being the liquidation option where assets are sold with proceeds going to creditors and the business dissolved. Chapter 11 being the reorganization option where creditors are held off to allow the business to restructure their debts, seek relief, and make payments over time. With Chapter 11 the business continues to stay operational although more times than not the business owner loses their ownership interest and the creditors end up owning the equity in the business.

“Too broke to file for bankruptcy”

The problem has always been that while Chapter 11 has technically been an option available to small businesses it was never a practical option because the associated costs were too high. Small businesses are “too broke to file for bankruptcy” was often previously the refrain. Enter stage right, the very well timed - although not well known - Small Business Reorganization Act (SBRA) of 2019 that President Donald Trump signed in August of 2019. The law coincidentally went into effect 180 days later in February of 2020 - just a month before COVID-19 hits the United States.

What is a small business?

Who is eligible for the SBRA? The definition of a small business can often be nebulous. Often the definition centers around employee headcount or revenue. In the case of the SBRA, the original definition was any business with less than \$2.7M in non-contingent, liquidated debt was considered a small business and therefore eligible to benefit from the SBRA. In March after the pandemic took hold, the CARES Act further expanded the businesses that are eligible to benefit from the SBRA by lifting the debt threshold to \$7.5M for a period of one year to expire in March 2021.

What is the SBRA?

The SBRA modifies Chapter 11 to add a SubChapter V (roman numeral 5) which is specific to helping small busi-

nesses in financial distress. The intention was to create a quicker, cheaper, and more effective option that small businesses can benefit from since traditional Chapter 11 wasn't a realistic option. By all accounts this small business-friendly addition is a great tool to have in the toolkit.

“Perhaps the biggest difference between a traditional Chapter 11 and a SubChapter V is that the small business owner retains their ownership equity”

More Effective

Perhaps the biggest difference between a traditional Chapter 11 and a SubChapter V is that the small business owner retains their ownership equity. The rationale is that no one runs small businesses better than small business owners so it is in the interest of all stakeholders for small business owners to retain that ownership equity. Furthermore, this improved success rate not only benefits the owners, but employees, suppliers, customers, and others who rely on that business. The debt relief is a function of how much projected disposable income the small business will produce over the coming 3-5 years. The current economic climate should be beneficial for the purpose of the small business as these outlooks will likely be as conservative as any time in recent history. Furthermore, the rights to modify a plan are solely with the small business debtor so in the event that the plan is under-performed the small business debtor has an option to submit a modified plan.

Quicker

Whereas a traditional Chapter 11 can take 18-24 months, these SubChapter V (or SCV) filings must propose a plan within 90 days of filing. The filing complexity is also reduced through the usage of template forms and the removal of certain filing requirements. As an example, the requirement to create a lengthy and creditor-agreed upon full disclosure statement is removed which helps streamline the process. In general, the process is accelerated as the creditor involvement is generally reduced. The creditors do not form a creditor's committee, cannot submit a plan, and there is no longer a balloting process to ensure consent.

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LEGISLATIVE UPDATE



2020 Election and 2021 Legislative Update

By Paul Nagy, Legislative Committee Chair

Our post-election and pre-legislative sessions update will focus on Texas and Oklahoma to help our newly combined membership.

The Texas Legislature will continue to be controlled by Republicans in the upcoming session. The split in the House is unchanged at 83 Republicans and 67 Democrats. The Senate Republican margin will be reduced by one seat to 18 with 13 held by Democrats. The reduction of one less Senate Republican is important because current rules require 19 votes to advance legislation.

Rep. Dade Phelan (R-District 21, Beaumont area) is claiming to have the votes to become the next Speaker of the House. The speaker has tremendous power not only in how legislation is moved through the process but in the appointment of all house committee members and chairpersons. Lieutenant Governor Dan Patrick (R) will continue to preside over the Senate.

The Oklahoma Legislature will continue to be dominated by Republicans. They will hold 82 of 101 seats in the House (up 5) and 39 of 48 seats in the Senate (no net change although two seats flipped, one for each party). The House is led by Speaker Charles McCall and the Senate is led by Lieutenant Governor Matt Pinnell and President Pro Tem Greg Treat.

Both the Texas and Oklahoma legislatures have a limited number of days in session. The legislature in Texas meets for 140 days every other odd year which in 2021 will be from January 12th through May 31st. Oklahoma's meets annually from the first Tuesday in February until the last Friday in May which in 2021 will be from February 1st until May 28th. The bill filing deadline in Texas is the 60th day of the session, March 12th. The Oklahoma deadline precedes the session and will be January 21, 2021.

Contacting legislators during the upcoming sessions looks like it will be very different due to the pandemic. Access to capitols will be limited. Hearings and floor proceedings may only be viewable via streaming. The invaluable face-to-face meetings in offices may be almost impossible.

Here's how to help: Tell Tom Morgan about any representatives or senators in either state that you have a connection with no matter how minor. He can then coordinate contacting those legislators. This is even more important because we also do not expect to have the Texas Legislative Summit. That means no chance to visit legislators and staff at the Texas Capitol to introduce our businesses and advocate our issues. Other contact methods must be utilized (**AKA meeting your senators and representatives in their districts!**).



Issues to Watch: Redistricting at state and national levels (**impacts the next 10 years!**); collection agency registration or licensing efforts; legislature and regulator reactions to the new CFPB rules scheduled to be effective at the end of 2021.

Legislative Information (including bill tracking):

Texas: www.capitol.texas.gov

Oklahoma: www.oklegislature.gov

Information Sources:

Oklahoma Statewide News: The Oklahoman
<https://oklahoman.com/>

Texas Statewide News: Texas Tribune www.texastribune.org

National Political News and Opinion: Real Clear Politics
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ARM Alert – Q3 2020 Review

By Michael Lamm

As we continue to navigate through the pandemic and our “new normal” sets in, we’ve noted increased M&A activity this year. This activity appears to be continuing heading into Q4 2020.

We are aware of several ARM companies that have either already entered the market or will soon be entering the market as sellers, and there are strategic and financial buyers who remain interested in pursuing deals with good companies. CAS expects this market trend to continue into 2021, and buyer interest to remain focused on companies who weathered the pandemic and sustained their performance.

However, we have also been receiving multiple calls from larger ARM companies who would be very interested in acquiring under-performing, smaller ARM companies with attractive clients. With the ongoing pandemic and upcoming Presidential election, there is greater uncertainty for the regulatory environment and liquidation impact. This is making forecasting for 2020 and 2021 increasingly challenging. Buyers will continue to look to alleviate the difficulties of forecasting performance for 2020 and 2021 with greater levels of deal structure. The election also creates a unique dynamic for timing as [Joe Biden’s campaign has proposed to apply a 39.6% rate on long-term capital gains tax \(for income over \\$1M\)](#), which is a large jump from the current 20%. This can potentially lower the net proceeds of sale of companies, prompting some companies to accelerate their plans to close before the new tax rates go into effect.

It is expected that the number of defaulted accounts will increase despite total household debt decreasing in the last quarter. The outstanding debt levels were aided by a number of temporary measures, including a decline in consumer spending as a result of the pandemic, increased forbearances provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and temporary financial relief from various government stimulus programs. Short-term prospects are not as positive with greater uncertainty regarding further stimulus and modest improvements in unemployment levels, which are currently at [7.9% \(compared to 4.4% pre COVID-19 in February\)](#). An uptick in delinquency is expected to be fueled by moratoriums slowly expiring. As an example, [according to a press release by the National Energy](#)

[Assistance Directors’ Association \(NEADA\)](#), more than 20 percent of customers are late on their utility bills. This could increase when moratoriums in 9 additional states are set to expire in October (currently 21 states and DC have utility shut-off moratoriums in place).

While CAS has witnessed that many ARM servicers and debt buyers in the space maintained strong performance through Q3 with consumers/businesses having extra disposable income during the pandemic, liquidations have started to decline in certain markets. This trend may continue until further stimulus is provided and/or the unemployment rate drops. Still, we anticipate that the increase in client volume will likely offset any declines in liquidations for the foreseeable future.

After weeks of meetings and dialogue, White House and Democratic Congressional negotiators have yet to reach a deal over the details of a new economic stimulus package. On October 1st, [a revised HEROES Act was passed in the House of Representatives](#) that includes the second round of stimulus checks (something desired on both sides of the aisle) but [also maintains components of the original HEROES bill](#) that would impact credit reporting and debt collection restrictions for those in the ARM industry. While it’s unlikely to pass in the Senate or even find agreement before the election, some of the key components that CAS will closely watch include suspending negative consumer credit reporting during COVID-19 (and other major disasters) and the following 120 days, providing temporary moratoriums on consumer debt collecting during COVID-19 and the following 120 days (except for mortgage loans covered by the CARES Act); and ensuring reasonable repayment options for consumers when payments resume after the moratorium.

In July, the CFPB released its [Spring 2020 Semi-Annual Report](#) to Congress to summarize its principal rulemakings and initiatives covering the Bureau’s work from the previous year. It was noted that the [proposed debt collection rule](#) is expected to be finalized in October, addressing a number of key issues when communicating with consumers about their debts around safe-harbor for voicemail messages, text messages and email. This has been a closely-watched area,



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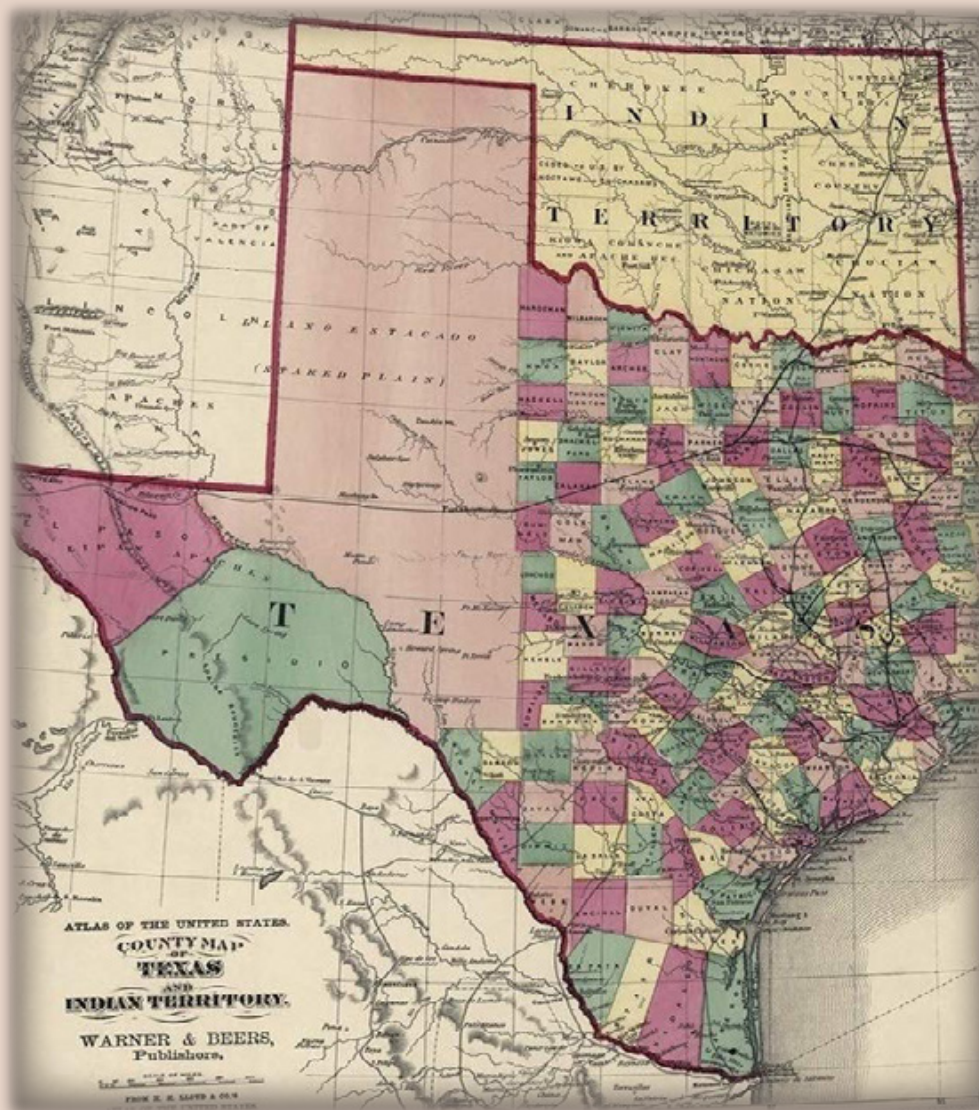
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CONFERENCE WRAP-UP



2020 Southwest ACA Virtual Conference & Expo

OUR CONFERENCE SCHEDULE

Our Conference Theme is "Life After Corona!"

Tuesday, October 13

- 9:30 am Exhibitor Staff are moved into their 'booths' and the Exhibit Hall Opens
- 9:50 am 'Doors Open' - attendees enter the conference.....Solutions by Text introduces conference texting
- 10:00 am Opening Session, Welcome and Recognitions.....Ron Brown SWCA President
Our Conference Sponsor, BillingTree – Video and remarks from Eric Ross
- 10:15 am Keynote Speaker.....Melvin Adams, former Harlem Globetrotter
- 11:00 am Session 1 – ACA President and CEO.....Scott Purcell, ACA International President
Mark Neeb, ACA International CEO
- Noon "Virtual" Exhibit Hall and Networking with Exhibitors and Attendees
- 12:30 pm Session 2 – Litigation Update and Predatory Lawsuits.....Malone Law
- 1:30 pm Session 3 – FCRA Issues – Disputes/CROs/E-Oscar.....Dennis Barton/CDIA panel
CDIA Panel; Francis Creighton, CEO and Joel Strickland, Director, e-Oscar
- 2:30 pm Tuesday Sessions Conclude – time to visit in the Exhibit Hall
- 3:00 pm Exhibit Hall closes for the day and re-opens at 10:00 am tomorrow morning – Have a Good Evening

Wednesday, October 14

- 9:50 am 'Doors Open' - attendees enter the conference.....Solutions by Text introduces conference texting
- 10:00 am Exhibitor Staff are moved into their 'booths' and the Exhibit Hall Opens
- 10:00 am Session 4 – Regulatory Panel – FTC/TX AG/CFPB.....John Bedard, Moderator
Panel Members: Dama Brown, FTC/Jennifer Jackson, TX AG/John McNamara, CFPB
- 11:00 am Session 5 – Collection Tactics.....Roger Weiss/Debra Ciskey
- Noon "Virtual" Exhibit Hall and Networking with Exhibitors and Attendees
- 12:30 Session 6 – TCPA Issues – Robo Calls/Call Blocking/Stir/Shaken.....John Bedard & Panel
Panel Members: Arielle Roth, FCC and Jesse Bird, TCN
- 1:30 pm Session 7 – Consumer Communication-Email/Text/Letters.....Rozanne Andersen/Sara Woggerman
- 2:30 pm Wednesday Sessions Conclude and our Networking Event Begins! It includes Jeopardy!

This event is for all attendees, exhibitors and our speakers and presenters. Someone will win a \$100 gift card!

Thursday, October 15

- 10:00 am Session 8 – Compliance Issues (Two concurrent sessions) – For managersLeslie Bender
For your staffDebra Ciskey
- 11:00 am Session 9 – Collector Training, Motivation & Compensation.....Ron Brown/Kelli Krueger
- Noon "Virtual" Exhibit Hall and Networking with Exhibitors and Attendees
- 12:30 pm Session 10 – Working From Home – Lessons Learned.....Leslie Bender/Debra Ciskey/Rob Borucki
- 1:30 pm Session 11 – COVID-19 – Going Forward/Liability Concerns.....Katie Zugsay/David Goodman
- 2:30 pm **NEW Session 12** – Nearshoring: Is it right for your company?.....Ken Rubin/Phillip Duff
- 3:30 pm Thursday Sessions Conclude with Closing Remarks..... Ron Brown SWCA President

NOTE: The Virtual Exhibit Hall will 'open' on Tuesday at 9:30 am and will close at 3:00 pm. On Wednesday and Thursday the Exhibit Hall 'booths' will open at 10:00 am and remain open and available until 3:30 pm.

If you were unable to attend, this is what you missed! Be sure to make plans to attend in 2021!

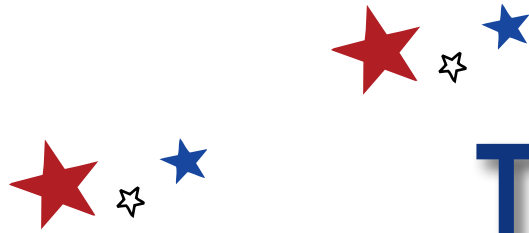
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- ExpertSource – NEW Exhibitor & Sponsor
- ezPay365 – Exhibitor & Sponsor
- Finexus Insurance Agency – NEW Associate Member & Sponsor
- Focus 1 Data – Associate Member & Sponsor
- Intelligent Contacts – NEW Exhibitor & Sponsor
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Dennis Barton, [FCRA Issues – Disputes]
Owner and Managing Partner, The Barton Law Group, LLC

John Bedard, [Regulatory Panel-FTC, CFPB, TX AG + TCPA Issues Panel]
Principal, Bedard Law Group, P.C.

Leslie Bender, [Compliance Issues + Working From Home]
Privacy and Compliance Attorney and Senior Counsel, Clark Hill, PLC

Jesse Bird, [TCPA Issues]
Co-founder and chief technology officer, TCN, Inc.

Rob Borucki, [Working From Home]
Vice President of Product, BillingTree

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Regional Director of the Federal Trade Commission's Southwest Region

Ron Brown, [Collector Training and Motivation]
President and CEO of CSI Group

Debra Ciskey, [Compliance Issues + Working From Home + Collection Tactics]
Executive Vice President, CACi

Francis Creighton, [FCRA Issues-Disputes]
President & CEO of the Consumer Data Industry Association (CDIA)

Phillip Duff, [Nearshoring?]
Founder and CEO of Ring & Respect

David Goodman, [COVID-19 Going Forward]
Founder, The Goodman Law Group

Jennifer Jackson, [Regulatory Panel-FTC, CFPB, TX AG]
Chief, Consumer Protection Division, Office of the Texas Attorney General

PRESENTERS

Our Conference



Kelli Krueger, [Collector Training and Motivation]
Director of Education, ACA International

Robbie Malone, [Litigation Update and Predatory Lawsuits]
Founding Partner, Malone Frost Martin, PLLC

Xerxes Martin, [Litigation Update and Predatory Lawsuits]
Founding Partner, Malone Frost Martin, PLLC

John McNamara, [Regulatory Panel-FTC, CFPB, TX AG]
Assistant Director of Consumer Credit, Payments, and Deposits Markets in the Research, Markets and Regulations division of the Consumer Financial Protection Bureau

Mark Neeb, [ACA International Update]
CEO of ACA International.

G. Scott Purcell, [ACA International Update] v
volunteer president of ACA International and President of Professional Credit Service in Oregon

Arielle Roth, [TCPA Issues Panel]
Federal Communication Commission, Legal Advisor for Commissioner Michael O’Rielly

Ken Rubin, [Nearshoring?]
Managing Partner of Connect International, LLC and CFO, Hollis Cobb Associates, Inc.

Joel Strickland, [FCRA Issues-Disputes]
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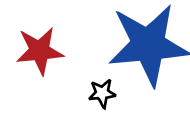
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President of CACi in St. Louis, MO and President of The Collections Coach

Sara Woggerman, [Consumer Communication]
Owner and President of ARM Compliance Business Solutions

Katie Zugsay, [COVID-19 Going Forward]
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**OUR SINCEREST THANKS TO HARRY STRAUSSER
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When we realized that in order to hold our Annual Conference we needed to pivot from face-to-face to virtual, Harry went above and beyond in assisting us in both the planning and the execution of our first (and hopefully last) virtual conference!

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Providing Educational Opportunities is a Key Component of the Mission of a Trade Association. We are committed to assisting members with training issues, as well as coordinating professional skills development and training programs sponsored by ACA International. It is our goal to ensure that our Annual Conference brings together nationally recognized speakers and subject matter experts to present the most up-to-date information regarding the issues facing our members.

If you would like local area training, we can assist with that as well. We are here to assist our members in accessing the finest training available. We look forward to serving you.

Campus ACA is the umbrella organization for ACA International’s diverse professional and educational certification programs for collectors and agencies. Some upcoming educational opportunities (*partial list*):

<u>Date</u>	<u>Event</u>	<u>Location/Type</u>
11/30	Understanding & Responding to the CFPB	Webinar
12/7	Key Phrases: Memorable Words that Work	Webinar
12/15	Managerial Mistakes and Workplace Drama	Webinar
1/4/2021	Exceptional Leadership	Webinar
1/22/2021	Keep Calm and Prevent UDAAP	Webinar
2/1/2021	Successful Hiring Strategies	Webinar
2/23-26/2021	Committee of 100 (by invitation)	Key Largo, FL
2/24-26/2021	Introduction to Risk Management	Webinar
7/28-30/2021	ACA International Annual Convention & Expo	Webinar
10/11-13/2021	2021 Southwest ACA Conference & Expo	Irving, TX
Wednesdays	Don't Miss the Weekly "HUDDLE" With ACA Staff and invited guests	11a CT

For more information and a complete listing of these educational opportunities, visit www.acainternational.org or contact the Education Department at 800-269-1607.

Please let us know how we can better serve your education and training needs!

Southwest Collectors Association Announces New (and FREE) Educational Webinar Opportunities

The first webinar in the series was held on Thursday, November 12th. Debra Ciskey, CCCO and Executive VP with CACi, presented a session specifically designed for frontline collectors. The webinar was attended by 77 persons and the attendee response was very positive with comments such as; *“It was a refreshing change to have a video for the collectors. The content was organized and presented well. It was a good length to break up the routine but not keep them off the phones too long. I liked that it was at noon so I was able to buy them lunch and make it fun also.”*

The next webinar in the series will be on Thursday, January 21 at Noon CST. Mary Shores will be presenting a session entitled, “Closing the Gap: Higher Collections Through Stronger Connections.” If you are interested in attending, send an email to info@texascollectors.com with the subject, ‘Webinar’ and you will be added to our distribution list for future notifications.

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Gap & Risk Assessment*

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*Chris Thompson,
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“Providing a robust client access portal is one measure that can put your agency on par with the best. Giving the customer what they want – sometimes even before they know they want it – a recipe for success for any enterprise.”

Joe Batie, Caine & Weiner

“Applied Innovation has a simple and user friendly product. Consumer access is seamless and secure. The initial setup was simple and the implementation process was smooth. The ability to make adjustments or changes on the fly as business needs and compliance issues change is very effective and appreciated.”

Courtney Reynaud, Credit Bureau USA

“Applied Innovation has been great to work with! Their ClientAccessWeb and PayStream payment portal have been very beneficial to our agency! Setup was very easy and their customer service has been great!”

Brian Grimes, Credit Bureau Services of Iowa



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CollectPAC NEWS

It's hard to believe that the world is still battling COVID-19, but we still are but with a slight hope that a vaccine(s?) may be available in the near future. As a result, we will most likely continue reinventing or modifying our operational structures for some time. Especially as we try to adjust in accordance with the just released "Final Rule" (which really is not the final, final rule).

Our ACA membership cost has been recouped several times over through national's legislative efforts against such financially devastating legislation, and from injunction lawsuits that sought to halt collection operations altogether. However, the fight is one that we all must undertake together. And the success of this is reliant upon both our physical presence with legislators and our financial contributions to political campaigns. We never have enough members attend our legislative days. And greater numbers carry more weight with the legislators and staff with which we meet, so please make a point to join our next legislative day. And our PAC is extremely low, so we desperately need everyone to consider giving, or to consider giving more. I know cash flow has been impaired due to COVID-19, but the advancement of harmful legislation hasn't stopped, and in fact, it has increased.

The members noted below have already made a generous contribution to our CollectPAC fund. **But our fund is virtually out of money, so PLEASE HELP us further our industry efforts by contributing to the PAC today!**

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To reach our goal, we need support from every member! Please mail your **personal check** or **credit card** contribution to our Association office at 305 S Broadway, Suite 706, Tyler, Texas 75702. Even though it is not a secure transmission, you may also scan and email your credit card contributions to our association office at: info@texascollectors.com. **Please remember that PAC contributions cannot be made using a company check or credit card.**

Thank you for helping in our efforts to promote and protect our industry!



Greg Mason
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American Collectors Association of Texas Political Action Committee CollectPAC Contribution & Pledge Card

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For more information or to establish a monthly or quarterly payment schedule, contact Tom Morgan at 512-458-8666 or tmorgan@texascollectors.com **State law prohibits corporate checks.** Mail your check and this pledge card to: ACA of Texas CollectPAC, 305 South Broadway, Suite 706, Tyler, TX 75702



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I am reminded of the meaning of the word TEAM; Together, Each, Achieves, More! We've about made it to the end of 2020. Together, as a TEAM, we can make it to the end of 2021!

Be sure to check out the various articles that are in this issue. All of them have a high degree of relevance to working effectively (and safely) during this 'crazy' time.

Please remember to pray for this nation, our President (whether Biden or Trump) and other authorities, and especially those among us who are feeling the full impact of this virus; economically (jobs lost, businesses closed) and emotionally (loss of friends and/or family).

Got comments, questions or concerns regarding this issue, the articles or other material included? Feel free to send me an email. We welcome "Letters to the Editor" especially regarding a topic you would like to see addressed.

As always, thank you for allowing me the privilege to serve as your Executive Director. If I can assist you in any way, please

do not hesitate to give me a call or send me an email.

I look forward to seeing each of you (face-to-face) sometime in 2021. May each of you have a wonderful and prosperous 2021!

In the meantime, have a Blessed Christmas, a Memorable Hanukkah, and a Safe and Happy New Year!

Sincerely,



Tom Morgan,
Executive Director

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Now, let's consider how you can build a similar level of rapport with a consumer. When a consumer is concerned about a debt, it's not enough that he just trusts you to listen; he needs to feel comfortable talking to you so you can come to an agreed-upon solution together.

Let's say a consumer doesn't want to pay an emergency services bill because he feels he shouldn't have to since he has insurance. He's clearly frustrated, and you're not sure what to do to calm him down and get a payment.

Well, after you've created a sense of trust by validating his concern, you can try to build some rapport.

You can build rapport by humanizing the conversation. In other words, you can let the consumer know that you're there for them, and you're excited to help them.

One way to do this is by simply stating that you're happy to help the consumer find a solution. You could also say that you have good news before you offer them some great solutions.

At my agency, I call this "planting a seed of happiness." Seeds of happiness cause the consumer's brain to release feel-good chemicals, which will usually calm him down so you can move the conversation forward.

In the example of the consumer who doesn't want to pay his EMS bill, after you've validated his concerns, you could say, "I'm here to help you with this." After you say that, you'll almost always notice him feel more at ease and less on edge for the rest of the call.

Instill Confidence — Even though this is the last variable in the equation, it's one of the most important ones. This last piece of the puzzle helps you reach an agreement—one that both you and the consumer will agree on.

Does your best friend have confidence that you'll follow through if he asks you to do something? If so, how did you instill that confidence in him? Most likely, you showed it to him through your words and actions. Guess what? You can create the same sense of confidence in the consumer.

By this point in the conversation, the consumer knows you understand him, and he knows you're a person who's easy to communicate with. That said, he doesn't know how committed you are to helping him.

Simply put, you need to show the consumer that you're his ally.

Luckily, this is fairly simple to do. The way I train my collectors to do so is to speak to the consumer in terms of solutions rather than in terms of consequences.

Think about it: When you tell a consumer all of the things you can't do to help him, he's going to feel attacked and hopeless. After all, you're only focusing on the negative, which will deflate any sense of connection you've built so far.

That said, if you focus on what you can do instead, he's going to have increased confidence that you can actually help him come to a solution. You're helping him look at the positive side of the situation, which will, in turn, let the two of you come to a solution that the consumer is happy with.

From Theory to Practice

After you've added all of these variables together, you'll reach your desired sum: Connection. Connection is essential in collections because it drives the call from point A to point B. It avoids unnecessary conflict and aggression. And, it gives the consumer the voice he deserves.

Ultimately, if you use this equation at your agency, you'll notice increased recoveries and decreased complaints. And, you'll help to bring empathy and compassion into collections as we head into a post-COVID world. What could be better than that?

Mary Shores is the CEO and President of Midstate Collection Solutions as well as being both a Speaker and Author. Watch out for her webinar called "Closing the Gap: Higher Collections Through Stronger Connections" on January 21, 2021 at 1 p.m. EST. This FREE Webinar is sponsored by Southwest Collectors Association. To learn more about Mary's collections training approaches, book a call with her at www.maryshores.com.

**“Buenos Días. Mi nombre es Carla,
le estoy llamando de USA
Healthcare”**

“Hola, mucho Gusto”

**“Me gustaría hablar con
Renee Johnson, por favor”**

“esta es Renee Johnson”

**“Gracias. Me gustaría
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The logo for Art Jam Productions, Inc. features a vinyl record and a CD in the background. The text "Art Jam Productions, Inc." is prominently displayed in a large, serif font. Below the company name, the services "printing • mailing • design • digital imaging" are listed in a smaller, sans-serif font.

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Cheaper

Because the process is faster it is also cheaper. In a traditional Chapter 11 filing, bankruptcy lawyers are charging \$800-1,200 per hour and because the process is so lengthy that ends up being hundreds of thousands if not millions of dollars. Many small business owners have concluded over the years that they are “too broke to file for bankruptcy” which is especially ironic. Furthermore, the quarterly US Trustee fees are removed and administrative fees can be paid over the course of the plan 3-5 years.

It is quite the coincidence that this long overdue, small business friendly legislation came through right on the eve of a global pandemic that disproportionately hurt small businesses. It's regretful that awareness of this strategic and legal option has been so low and that more haven't been able to benefit from it.

Bankruptcy has long had the stigma in the business community as a badge of dishonor. It signaled waiving the white flag, liquidating the assets of the business, and/or a

transfer of ownership equity to creditors. While that sentiment is understandable it is unnecessary. In fact, for many businesses now facing challenges that they did not create, this option best positions both the business and the business owner personally for long-term success.

About Tophill Advisors

If you have questions or would like additional information, please contact Hunter Johnson (hjohnson@tophilladvisors.com; 469.999.8347). As we continue to monitor the novel coronavirus (COVID-19), at Tophill Advisors we are working collaboratively to stay current on developments and counsel clients through the various legal and business issues that may arise across a variety of sectors.

WELCOME NEW MEMBERS

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DANIELLE MUCKLEY, ACCOUNT CONTROL TECHNOLOGY, SAN ANGELO

KEIANA PERKINS, UNIVERSAL FIDELITY LP, KAT

as we've covered in previous CAS Market Reports, as the decisions will be important for promoting the use of new technology in the ARM industry. This also signals positive news, particularly for ARM companies who have already started adapting digitalization and modernized collection practices with COVID-19 and work-from-home mandates. With October already winding towards a close at the time of writing, this is something CAS will continue to keep apprised of. We are anticipating an announcement before the election.

Following the passing of Supreme Court Justice Ruth Bader Ginsburg in September, [President Trump has nominated the Hon. Amy Coney Barrett](#) to fill the resulting vacant seat on the U.S. Supreme Court. This could potentially signal good news for ARM companies, as Judge Barrett – who currently sits on the U.S. Court of Appeals for the Seventh Circuit – has previously ruled with favorable interpretations for ARM companies who use robocallers as recently as February 2020. In the [critical case of “Gadelhak v. AT&T Services”](#) regarding the TCPA (Telephone Consumer Protection Act) and ATDS (Automatic Telephone Dialing System), Judge Barrett found that the definition of an ATDS is narrowly defined as equipment that utilizes a random or sequential number generator to determine numbers to be called. This greatly limits the TCPA to be applied in private lawsuits against alleged ‘robocalling’, with a definition that explicitly defines random-number generating over more intelligent call-automation solutions. Conversely, should Judge Barrett’s nomination be delayed or even challenged during the election period, the impacts of alternative judgements with broader definitions of ADTS would introduce further potential roadblocks to ARM companies leveraging automated calling solutions. It’s also important to consider a majority conservative court may lead to more business-friendly rulings, including independent regulatory agencies designed to protect consumers (i.e., CFPB).

One of the biggest news updates this quarter for ARM companies located in California (or collecting debts from California residents) was that two new pieces of legislation were [signed and approved by California Governor Gavin Newsom](#) on September 25, 2020. This makes official proposals for new debt collection licensing requirements and the creation of a state consumer protection agency. The [Debt Collection Licensing Act \(SB 908\)](#) means California joins

those states requiring a license for debt collection, with said licenses to be obtained from the Department of Business Oversight (DBO). It also requires those businesses to comply with additional examination and reporting for regulatory oversight from DBO. The DBO will be creating a Debt Collection Advisory Committee to advise the Commissioner on matters of debt collection, and is going through preparations required to perform its regulatory duties by January 1, 2022. The second piece of law signed in is the [California Consumer Financial Protection Law \(AB 1864\)](#), nicknamed the “mini-CFPB”. This will rename the DBO as the “Department of Financial Protection and Innovation” and will be responsible for the execution and upholding of new licensing regulations, including the authority to bring administrative and civil actions against unlawful or unfair practices.

Also during Q3 2020, the Office of the Comptroller of the Currency (OCC) announced a proposed rule to [help clarify the “true lender” doctrine](#), a legal test used by regulators and courts to determine whether the actual lender in a credit transaction is a bank or a non-bank partner. This is being proposed to address a number of problematic areas of identifying a loan’s “true lender,” by providing a unified definition amidst different state laws and various bank-to-non-bank partnering and funding structures. The proposal first tests if the bank is named on the loan agreement at origination (resulting in the bank as the “true lender”), or second if a bank funding the loan at origination is deemed the “true lender” for having a “predominant economic interest in the loan.” Once the “true lender” is established, it does not change, even if the bank transfers the loan. Supporters of the proposal highlight that this means [reduced uncertainty and regulatory clarity for non-bank partners](#), while critics are quick to highlight the [potential to be used as a loophole](#) for bypassing state-imposed interest rate caps, as consumers could be purchasing a payday loan from a local storefront while the partnered national bank is not subject to the state’s laws.

Michael Lamm is Managing Partner at Corporate Advisory Solutions (www.corpadvisorysolutions.com), a boutique merchant bank with offices in Center City Philadelphia. He can be reached at mlamm@corpadvisorysolutions.com or 202-904-7192.

We Need Your

HELP

Help us keep our membership records current so that you receive the most up-to-date information possible. This will become especially important during the upcoming year. Contact tmorgan@texascollectors.com or call 512-458-8666 with updated mailing and e-mail addresses and phone numbers. Also, be sure to send us your website address for posting to www.acaoftexas.org.

Index to Advertisers

Applied Innovation	28
ArtJam Productions, Inc	35
Billing Tree	8
CompuMail	18
Connect International	34
DAKCS	4
DMP	32
EFT Network.....	16
Finexus.....	9
Focus 1 Data.....	39
Matrix Printing Solutions	25
MicroBilt.....	10
Ontario Systems.....	14
OSG	26
Pathfinder	30
Payment Savvy	6
Renkim.....	12
RevSpring	2
TCN, INC.....	40



Membership Event Postings

The ACA of Texas' Southwest Collector Connector will post member announcements for anniversaries, birthdays, graduations, weddings or other significant events that occur in the lives of our members. Since this is a quarterly publication, the announcements can be in the recent past or in the future.

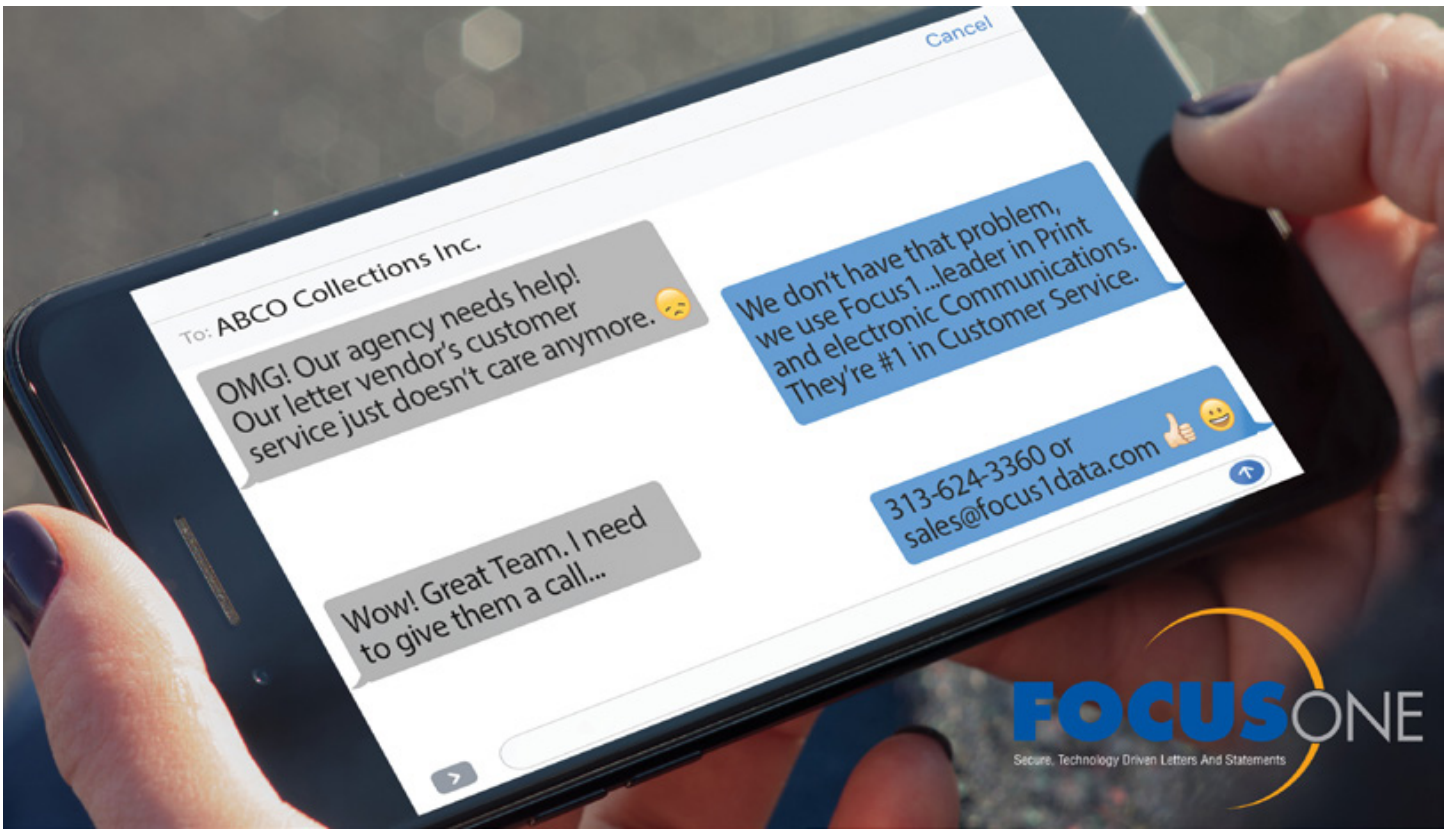
Please send all announcements to tmorgan@texascollectors.com and, if possible, they will be published in the next issue to be published. Include your name and a contact phone number.

Letters to the Editor

Letters [or emails] to the Editor are welcome but must be signed, please include full name and address. Not all letters can be published. Letters that are published may be edited for space, brevity, clarity and other editorial considerations.

We look forward to your constructive criticism; let us know if there is anything in particular you would like to see us address. We appreciate the opportunity to hear from our readers.

Unfortunately, there are no letters this quarter.




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