

DEBT COLLECTION

TEAM C



TEAM BREAKDOWN



Ayush Sharma (**Team Rep**)
MS – Artificial Intelligence



Aru Pandey
MS – Computer Science



Shiven Sharma
MS – Artificial Intelligence



Raktim Verma
MS – Computer Science

PROJECT OVERVIEW

- The primary objective of this analysis is to conduct a comprehensive examination of the debt collection practices within the Massachusetts court system.
- Our project involves a comprehensive data analysis of the debt collections court system data supplied by WGBH. We aim to address the critical questions posed by WGBH through this in-depth examination.

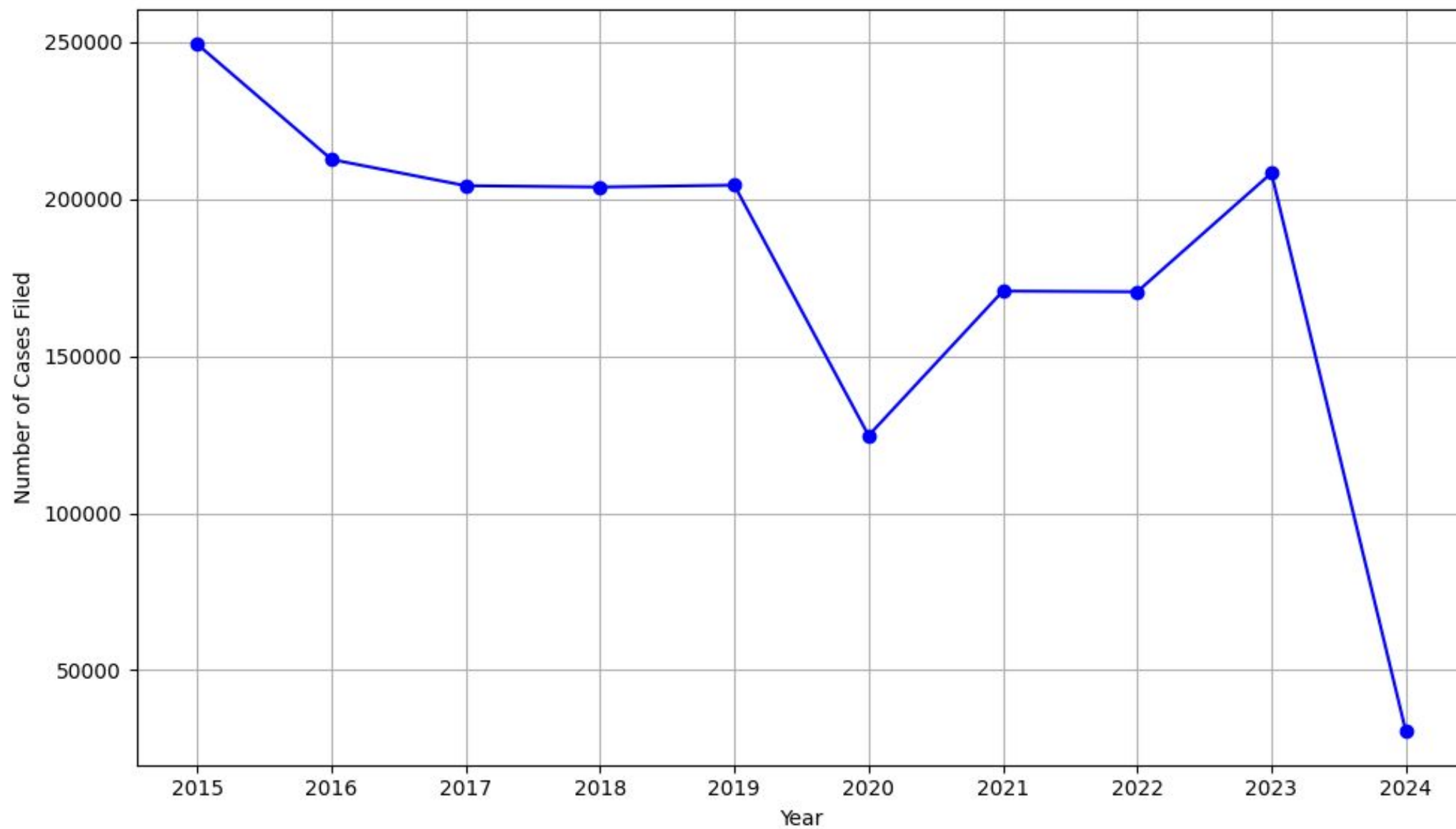
PROJECT DELIVERABLES

- What are the biggest organizations in debt collection?
- Some specific insights about these companies?
- How many cases end up with wage garnishes?
- How many cases lead to Capias Warrants?
- How many cases have been filed each year over the last ten years in each court?

How many cases have been filed each year over the last ten years in each court?

Year	Cases filed
2015	249336
2016	212631
2017	204275
2018	203849
2019	204445
2020	124730
2021	170731
2022	170498
2023	208288
2024	30787

Cases Filed Each Year Over the Last Ten Years





Points to note from previous graph and table:

1. General Trend (2015-2019): There was a gradual decline in the number of cases filed from 2015 to 2018, starting at 249,336 cases in 2015 and decreasing each year until it reached 203,849 in 2018. In 2019, there was a slight uptick to 204,445.
2. Significant Drop in 2020: There is a noticeable drop in the number of cases filed in 2020, where the figures plummeted to 124,730. This drop is likely due to the impact of the **COVID-19 pandemic**, which caused disruptions in many legal systems worldwide—courts were closed, cases were delayed, and there were limitations on legal proceedings due to lockdowns and social distancing measures.
3. Recovery Post-2020: The numbers start to recover in 2021 with 170,731 cases filed and remain relatively stable in 2022 with 170,498 cases. This could indicate the legal system's adaptation to the new normal, possibly incorporating more virtual proceedings and catching up on the backlog created in 2020.
4. Increase in 2023: There's a significant increase in cases filed in 2023 to 208,288. This could signify a return to pre-pandemic levels, suggesting that the backlog has been addressed, or it could reflect an increase in litigation possibly due to ongoing disputes arising as a result of the pandemic's long-term effects.
5. Partial Data for 2024: The figure for 2024 is notably lower at 30,787 cases. However, since 2024 is the current year and we do not have complete data, this number represents only part of the year. If this is data from the first quarter, for example, it might project an increase once the year is complete. If the current rate continues, 2024 could see a significantly higher total than previous years.

FINDINGS

The top 10 companies in terms of the dollar amount of residential mortgage loans they serviced in 2022 in the Commonwealth of Massachusetts are as follows:

1. Nationstar Mortgage LLC: \$21,415,050,000
2. Rocket Mortgage, LLC: \$14,101,560,000
3. LoanCare, LLC: \$13,003,850,000
4. ServiceMac, LLC: \$11,695,070,000
5. NewRez LLC: \$11,126,100,000
6. Freedom Mortgage Corporation: \$9,943,681,000
7. PennyMac Loan Services, LLC: \$8,563,333,000
8. PHH Mortgage Corporation: \$7,906,210,000
9. Select Portfolio Servicing, Inc.: \$4,009,109,000
10. RoundPoint Mortgage Servicing Corporation: \$3,618,304,000

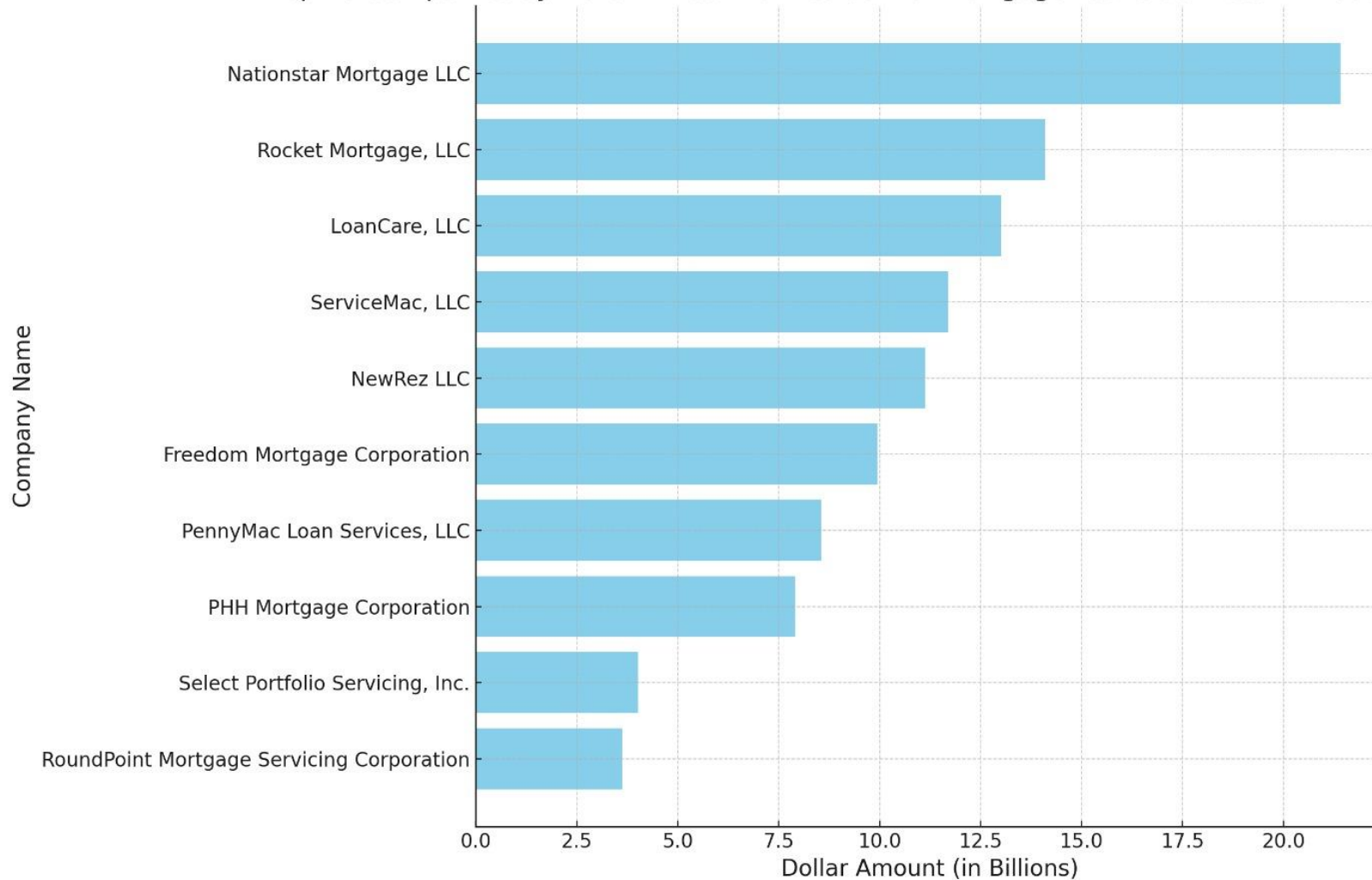


FINDINGS

The bar chart in the next slide visualizes the top 10 companies in Massachusetts by the dollar amount of residential mortgage loans they serviced in 2022.

FINDINGS

Top 10 Companies by Dollar Amount of Residential Mortgage Loans Serviced in Massachusetts, 2022





FINDINGS

Things to note from the previous slide:

Nationstar Mortgage LLC tops the list with over \$21 billion in serviced loans, followed by Rocket Mortgage, LLC.

FINDINGS

Some Important Insights About These Companies

Number of Residential Mortgage Loans Serviced in 2022:

- Nationstar Mortgage LLC serviced **87,541 residential mortgage loans**.
- Rocket Mortgage, LLC serviced **52,879 residential mortgage loans**.

Dollar Amount of HUD Reverse Mortgage Loans Serviced in 2022

- PHH Mortgage Corporation serviced HUD reverse mortgage loans with a total dollar amount of approximately **\$927.04 million**.
- Nationstar Mortgage LLC serviced HUD reverse mortgage loans with a total dollar amount of approximately **\$467.65 million**.

Number of HUD Reverse Mortgage Loans Serviced in 2022

- PHH Mortgage Corporation serviced **3,510 HUD reverse mortgage loans**.
- Nationstar Mortgage LLC serviced **1,913 HUD reverse mortgage loans**.



FINDINGS

Things to note from the previous slide:

HUD reverse mortgage loans serviced by dollar amount and by the number of loans: PHH Mortgage Corporation and Nationstar Mortgage LLC are highlighted in both instances, while Nationstar is highlighted in all the three instances

FINDINGS

Non-mortgage debt collection, ranking companies by the number of debtor accounts they purchased in MA:

We ranked these companies by the number of debtor accounts they purchased in Massachusetts in 2022, **providing a quantitative measure of their activity level in non-mortgage loan issuance and debt collection within the state, like credit cards, Student loans** etc.

1. Midland Credit Management, Inc.: 55,102 accounts
2. Jefferson Capital Systems, LLC: 27,590 accounts
3. Portfolio Recovery Associates, LLC: 17,382 accounts
4. Spring Oaks Capital, LLC: 11,243 accounts
5. Credit Corp Solutions Inc.: 5,818 accounts
6. Velocity Investments, L.L.C.: 3,258 accounts
7. Andrew C Metcalf: 752 accounts
8. Unifund Corporation: 330 accounts
9. NCB Management Services, Inc.: 278 accounts
10. Webcollex, LLC: 60 accounts

FINDINGS

Things to note from the previous slide:

- In terms of non-mortgage debts, the top 4 companies have the majority of the debt collection accounts.
- Midland Credit Management, Inc. holds the top position with over 55,000 accounts
- Another thing to note here is that Andrew Metcalf in this instance has more debt collection accounts in his name (752) than even some corporations like Unifund corporation (330), NCB management Services Inc (278), and Webcollex LLC (60) {based on data provided for 2022}.

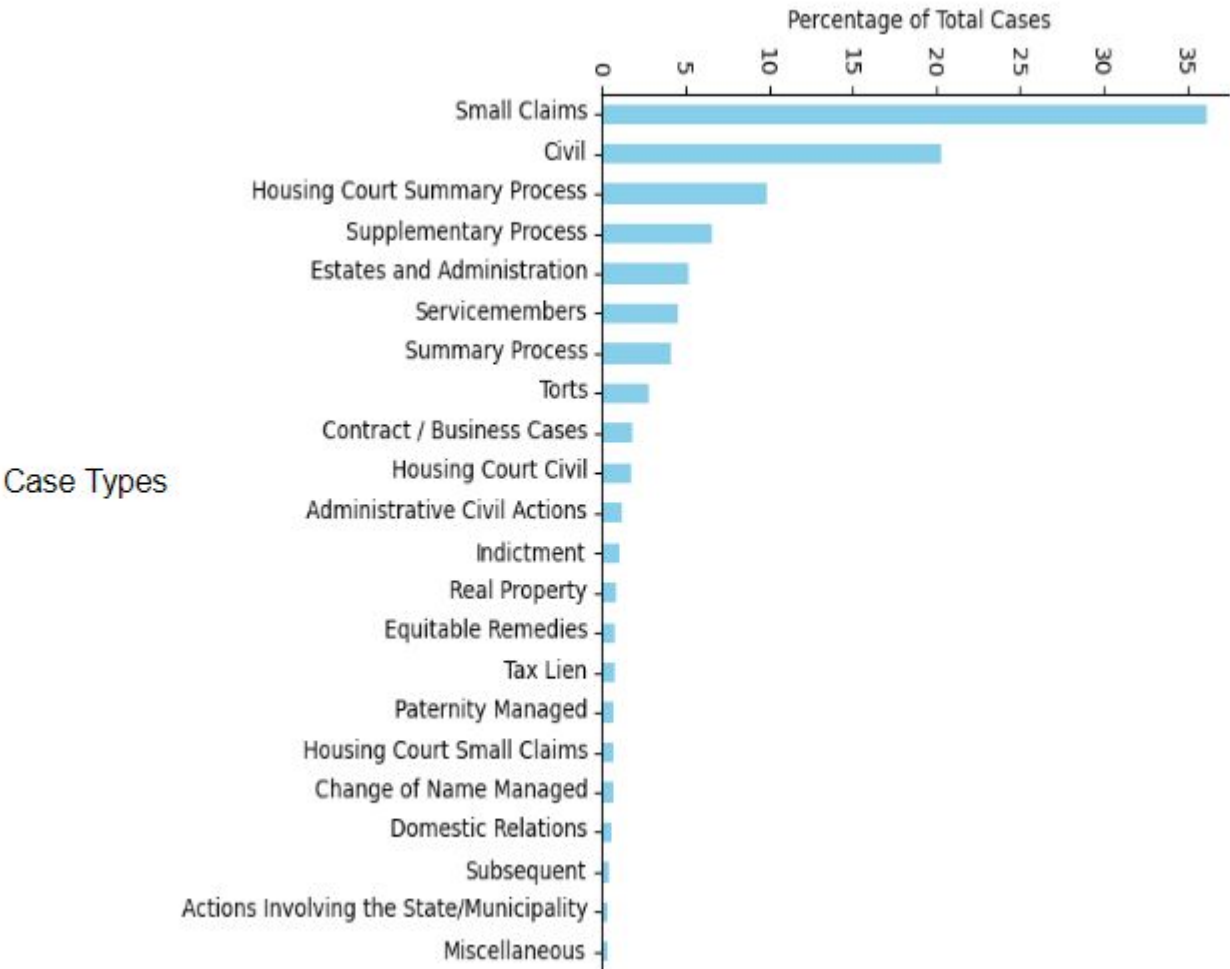


FINDINGS

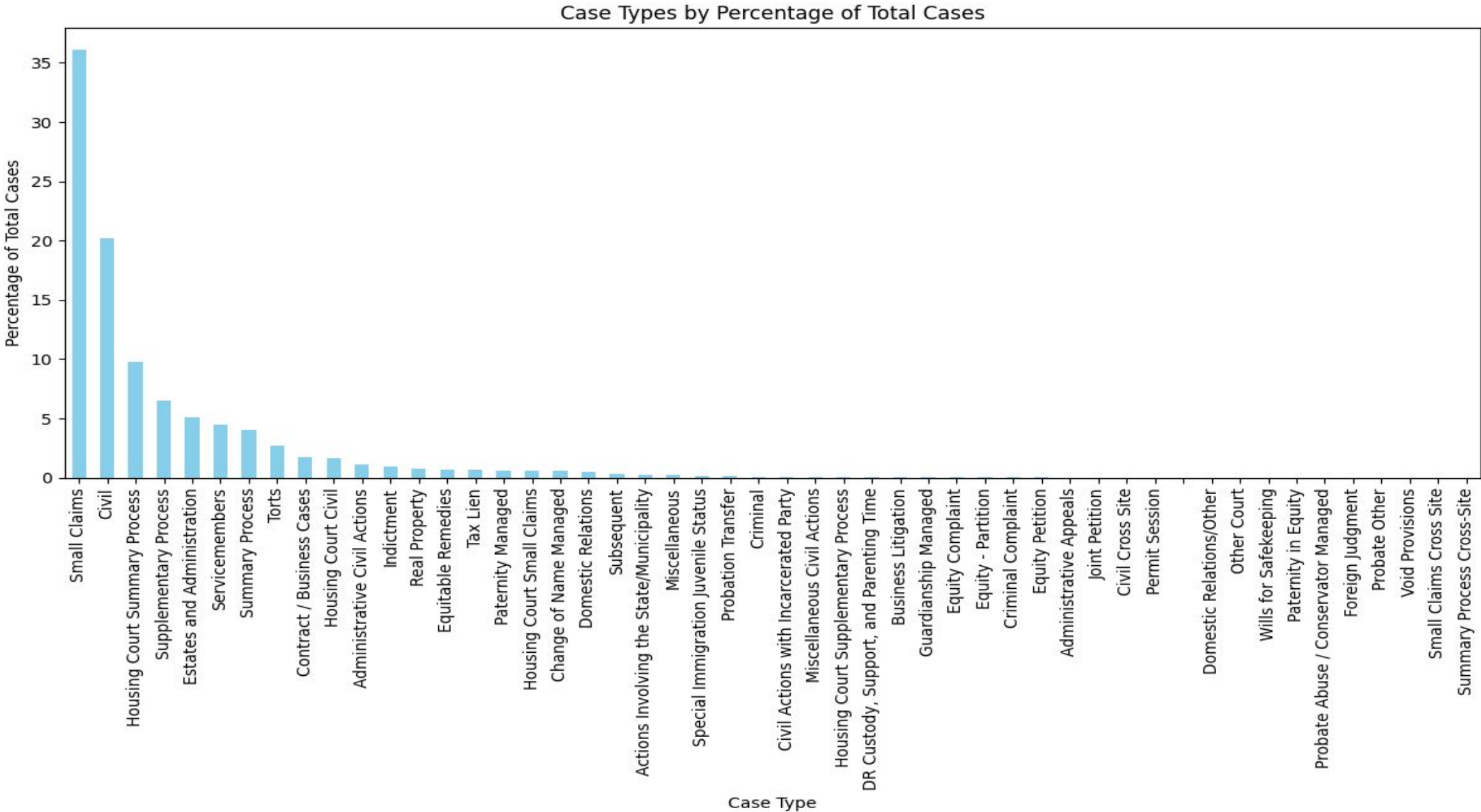
Next slide has the graph representing the percentage of cases filed in small claims and district courts by debt collectors.

Total number of debt collector cases filed in small claims and district courts = 177,248.

Case Types by Percentage of Total Cases



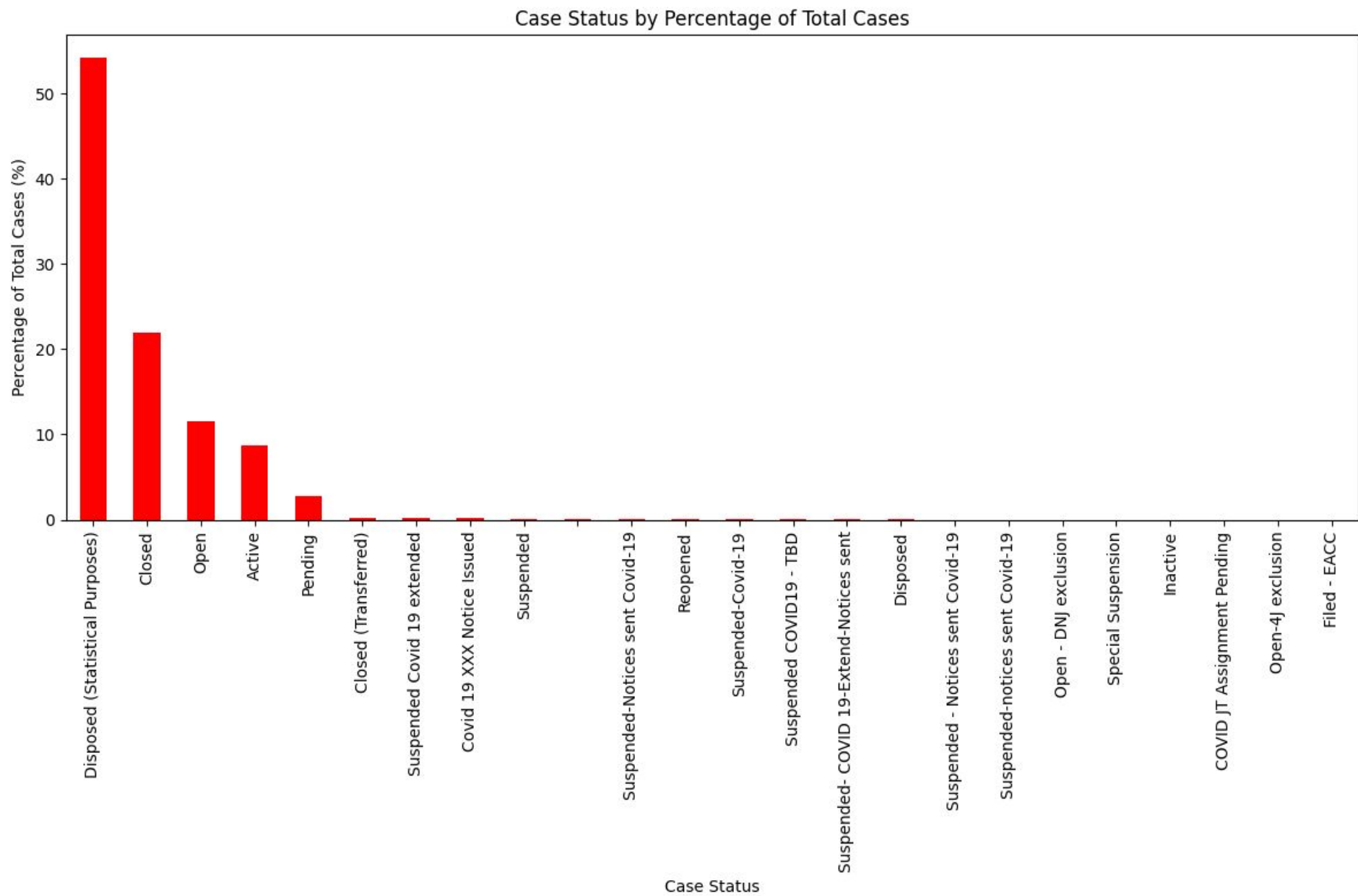
More detailed graph in the next slide





Points to note from previous graph:

- The most common type of case, taking up a substantial margin compared to others, is '**Small Claims**', indicating that this jurisdiction sees a lot of minor civil disputes involving small amounts of money. Following 'Small Claims' are 'Civil', 'Housing Court Summary Process', etc., all of which also make up a notable percentage of cases, but significantly less than small claims.
- As the chart progresses to the right, the percentage of total cases for each case type diminishes, showing less frequent case types in this particular system.





Points to note from previous graph:

- The case status with the highest percentage is "Disposed," suggesting that the majority of cases have been resolved in some manner. This is followed by "Closed (Inactive)", "Open", "Active", "Pending" which together indicate that a significant proportion of cases are either currently active, in some form of alternative dispute resolution, awaiting action, or inactive.
- A notable feature of this chart is the inclusion of several statuses related to COVID-19, such as "Suspended COVID-19", "COVID-19 XXX Notice Issued", etc. These categories are less in number meaning that Covid doesn't have a significant impact on legal proceedings, i.e., a less number of cases being suspended due to COVID-19. This implies adjustments had to be made in the legal process to accommodate the challenges posed by the pandemic, and the adjustments were well made.

FINDINGS

Some Important Insights:

Dominance in Mortgage Servicing: Nationstar Mortgage LLC appears to be a leading entity in the mortgage servicing space within Massachusetts, topping multiple categories. This suggests strong operational capacity and market penetration in residential mortgage loan servicing.

Non-Mortgage Debt Collection: Midland Credit Management, Inc. has a significant presence in the non-mortgage debt collection market with the highest number of accounts. This indicates that a few companies manage a large portion of debt collection activities, which could mean these companies have specialized strategies or capabilities for debt collection in non-mortgage sectors.

Individual vs. Corporate Debt Collection: It's unusual to see an individual, Andrew Metcalf, holding more debt collection accounts than some corporations. This might indicate that Mr. Metcalf operates a substantial private business in debt collection, or it could be an anomaly worth investigating for possible errors or specific reasons behind such a high number of accounts.

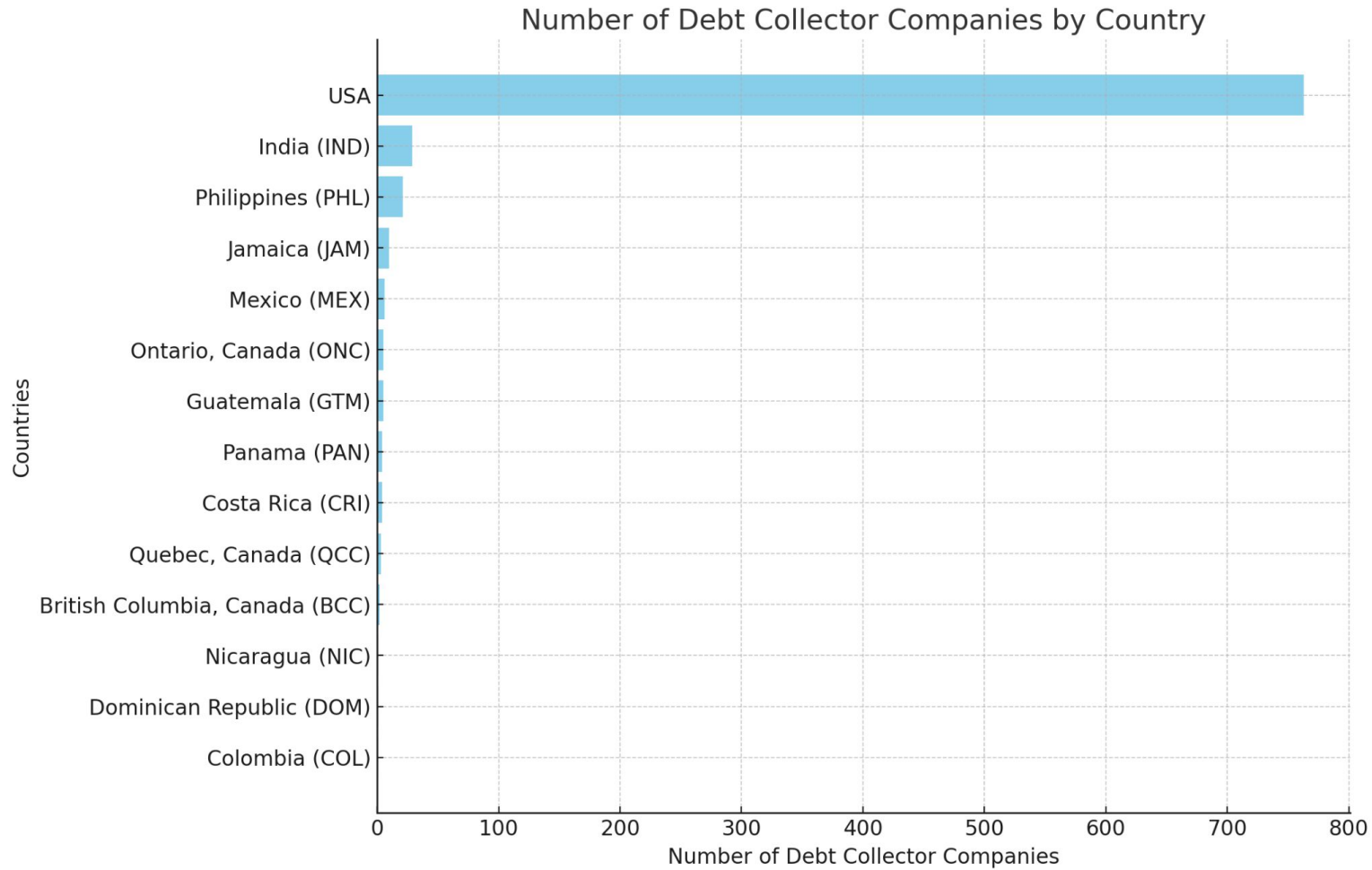
FINDINGS

Some Important Insights:

Legal Actions: The large number of cases in small claims and district courts, along with the cases that lead to wage garnishments and Capias warrants, underscores the legal intensity of debt collection efforts. It also raises questions about the socio-economic impact of such legal measures on individuals.

Overall Debt Collection Landscape: The provided data demonstrates a robust debt collection ecosystem with specific companies leading in various niches, whether it's servicing mortgage loans or handling non-mortgage related debts. The market seems concentrated with key players handling large volumes of accounts, which could have implications for competition and consumer experiences.

FINDINGS

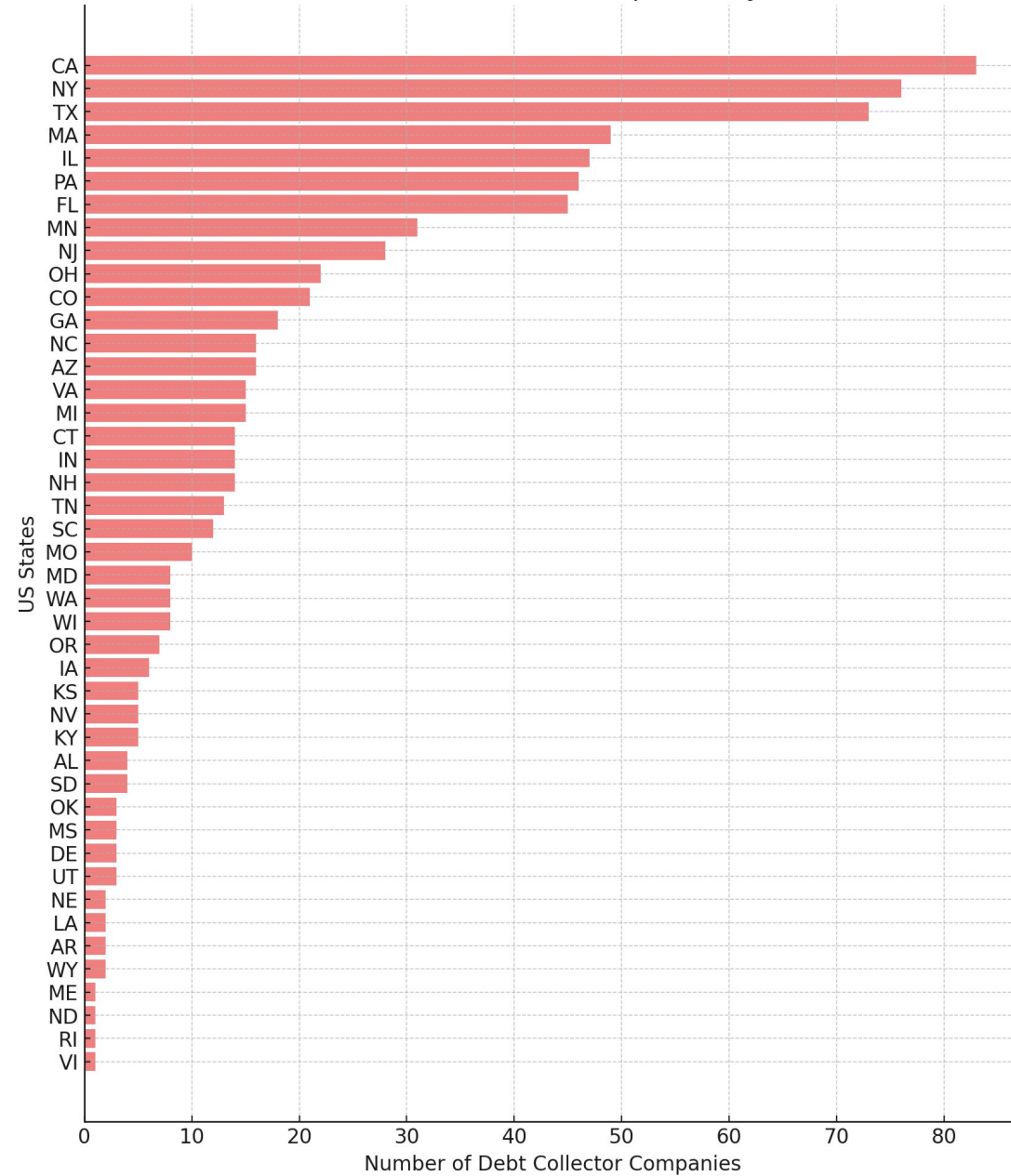


FINDINGS

Data from the previous slide:

- There are **763 unique** debt collector companies based in the USA.
- For debt collectors based elsewhere, the distribution across different countries is as follows:
 - India (IND): 29
 - Philippines (PHL): 21
 - Jamaica (JAM): 10
 - Mexico (MEX): 6
 - Ontario, Canada (ONC), Guatemala (GTM): Each 5
 - Panama (PAN), Costa Rica (CRI): Each 4
 - Quebec, Canada (QCC): 3
 - British Columbia, Canada (BCC): 2
 - Nicaragua (NIC), Dominican Republic (DOM), Colombia (COL): Each 1

Number of Debt Collector Companies by US State



FINDINGS

Data from previous slide:

State-wise in the US, we have noted the no. of debt collection entities in these cases upto 2023:

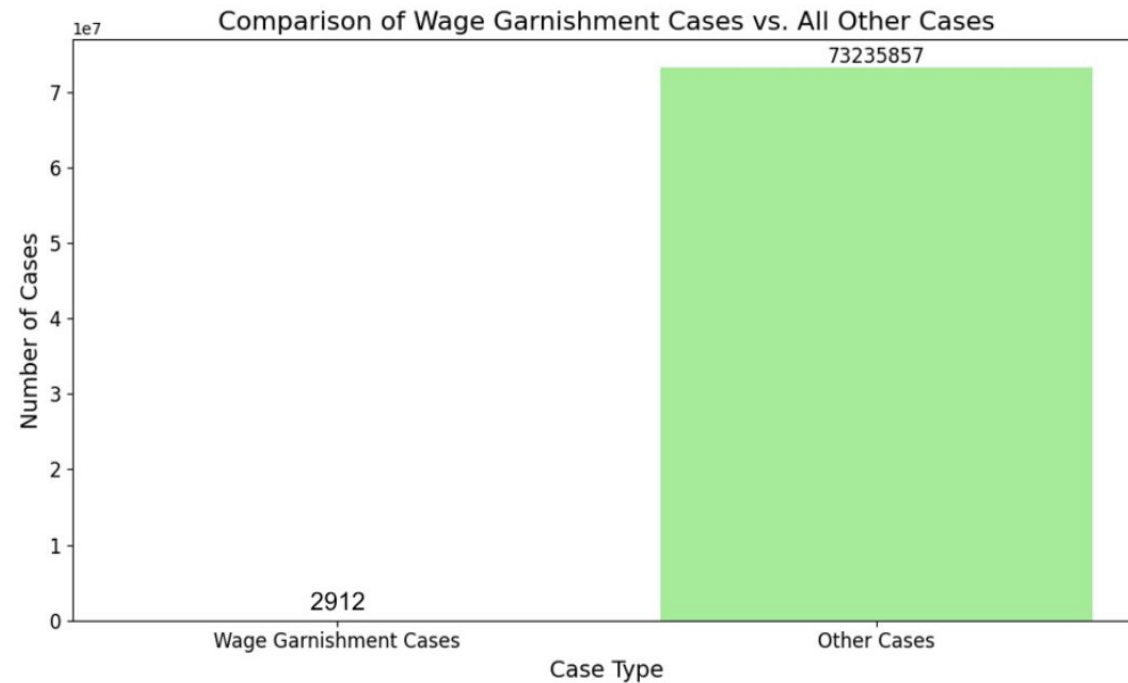
- CA: 83
- NY: 76
- TX: 73
- MA: 49
- IL: 47
- PA: 46
- FL: 45
- MN: 31
- NJ: 28
- OH: 22
- CO: 21
- GA: 18
- ME, ND, RI, VI: 1
- NC, AZ: 16
- VA, MI: 15
- CT, IN, NH: 14
- TN: 13
- SC: 12
- MO: 10
- MD, WA, WI: 8
- OR: 7
- IA: 6
- KS, NV, KY: 5
- AL, SD: 4
- OK, MS, DE, UT: 3
- NE, LA, AR, WY: 2

FINDINGS

Points to note from the previous two graphs:

- From the **countries' data**, we can see that there is not a big concern as most of the debt collection entities are **US-based**, with **India** and **Philippines** being notable contributors to this list of debt collectors.
- However, noting from the **state data**, we have noted that within the state of Massachusetts, the major debt collectors are not even from the state MA, instead they belong to **California**, **New York**, and **Texas** respectively. Also, a significant amount of debt collectors are based out of **Illinois**, **Philadelphia**, **Florida** and other states.

How many cases end up with wage garnishes



Total no. of cases involving wage garnishment: 2912

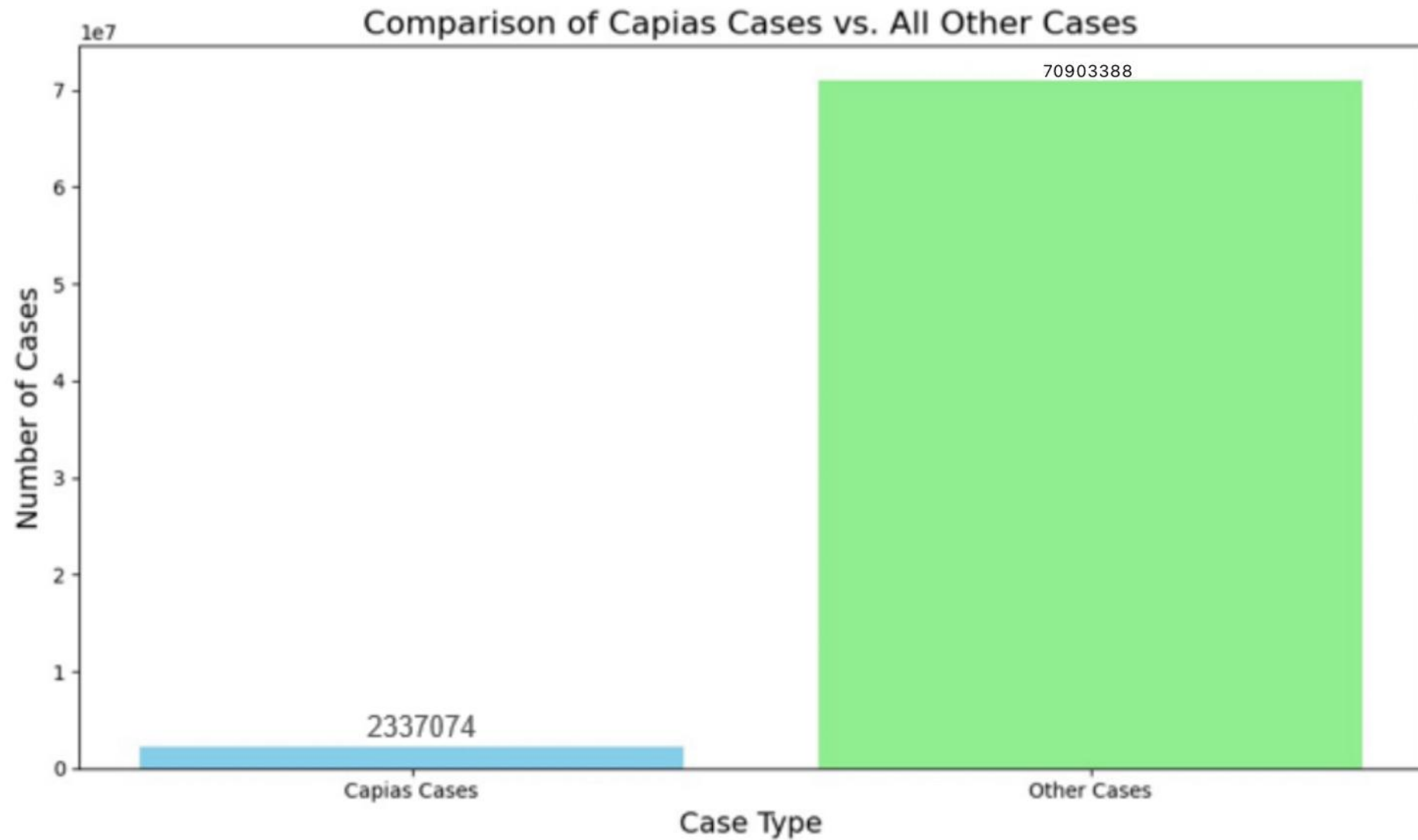
Total no. of cases resulting in wage garnishments: 2909

FINDINGS

Things to note from the previous slide:

It reports a total of 2,912 cases involving wage garnishment, with almost all resulting in actual garnishments.

FINDINGS





FINDINGS

Things to note from the previous slide:

It notes that there were **233,074 cases involving Capias warrants**, with **only a small fraction** resulting in the lifting or expiring of the warrants.

FUTURE STEPS

- Tracking the companies' home bases
- Calculating the ranges of different amounts of debt cases
- Biggest companies in terms of dollars.

Thank you!

