

**Title:**

An Introduction to Collection and Debt Recovery

**Word Count:**

864

**Summary:**

Most people cringe when they hear the words, collection agency. If you are the person who owes money on an unpaid debt, you probably aren't too thrilled to receive a phone call from one. However, if you are the creditor trying to collect on what is owed to you, a collection agency can become a valuable alliance.

**Keywords:**

Commercial debt collection, collection agency, collection services, commercial collection agency, Debt Recovery, Collection and Debt Recovery.

**Article Body:**

Whether you are a company dealing with business to business collections, or you simply are trying to recover debt from one customer who bounced a check, a reputable agency can help you with this battle. There are hundreds of collection agencies out there, so doing a little research can go a long way.

**Time Is of the Essence**

Successful debt collection begins with immediate action. It is never a good idea to wait more than 90 days to begin trying to recover debt on past-due accounts. This is where a good collection agency comes into play.

The agency will immediately begin communications with your debtor through phone calls and mailed letters. If they are unable to connect with your debtor after several attempts, they may refer your case to a collections attorney. The collections attorney will almost always be able to collect from your debtor, as most people fear legal action. Once the debt is recovered, the only thing left to do is pay the agency the fee that was agreed upon at the date of hire.

**Understanding Collection Agency Rates**

If you are a business owner trying to collect on past-due accounts, a reputable collection agency can often help. However, it would be wise to conduct a little research before selecting one. Collection agency rates vary, sometimes

significantly.

In general, the longer a debt has remained past-due, the harder it is to collect it. Therefore, the fee you pay out to the debt collection agency will be higher.

How Much Did You Say?

It is plausible that collection agency rates can reach as high as 50 percent. One agency might charge 35 percent for accounts 90 days past due, while another will charge 50 percent to work on an account with the same status. Fees also vary according to the amount owed, length of time overdue, as well as previous handling by another agency.

You may find it amazing that collection agency rates can reach upwards of 50 percent. You have to decide if the amount past-due warrants the time and money you will spend trying to recover delinquent debts. In many cases, the satisfaction from collecting what is rightfully yours, balances out the fee paid to an agency.

Debt Collection Basics

The very nature of debt collection calls for aggressive planning. Businesses lose hundreds of thousands of dollars a year due to delinquent accounts. More often than not, a third party, such as a nationwide collection agency, needs to be brought in to recover lost revenue.

When a client falls behind on payments, whether it be one person or a huge corporation, the ability to collect decreases as time passes. Often times in-house accounts receivable offices cannot handle the enormous volume of past-due accounts. This is debt collection at its worst.

There Is Help

This is where a reputable collection agency comes into play. They can help ease the heavy burden of debt collection, by aggressively contacting your debtor. This is usually done by placing numerous phone calls, and sending out letters regarding their delinquent status.

These agencies have high-tech computer systems that can trace people who have disconnected their phones or changed their address. If they are still unable to collect after these efforts, a collections attorney is usually asked to take on the case. More times than not, an attorney can recover funds as the debtor does

not want any legal suit brought against him or her.

### Debt Management and Your Business

Debt management is an issue that most business owners would rather not have to deal with on a daily basis. However, it should be a top priority, as delinquent accounts cost business owners thousands of dollars every year. It is imperative to have an accounts receivable management office that is fully capable of handling these past-due accounts.

Unfortunately, many businesses' accounts receivable offices simply cannot handle this demand. It then becomes necessary to hire a reputable collection agency that will handle all of your debt management needs. This agency will work for you to collect money on your behalf from clients with past-due accounts.

### Getting Back What Is Yours

You will work closely with the agency that you have chosen to handle debt management for your business. They will be aggressive in their efforts to get back what is owed to you. Oftentimes, they have dial-up computer systems that allow you to log on and check their progress.

The agency should always keep you in the loop regarding the status of the accounts being assessed. If and when they have recovered money from your debtors, you should be notified immediately of this change in account status. If it is to your satisfaction, the last step is to pay the agency the previously agreed upon fee, which is a percentage of the total amount collected.

### Finding a Nationwide Collection Agency

Are you tired and discouraged from fighting the constant battle of debt collection? Does it seem like your in-house accounts receivable management office cannot keep up with the demand? Or have you been unable to collect on accounts despite all efforts. It may be time to find a good nationwide collection agency.

For information go to:

[http://www.nationalmanagement.net/collection\\_agency\\_states/index.html](http://www.nationalmanagement.net/collection_agency_states/index.html)