

The Collection Notice

Upcoming changes in credit reporting

There may be no more complicated topic facing Fairway Collections than credit reporting. The rules governing the data we report are straightforward, the rules regarding consumer disputes are less easy, but new rules continue to make things more complex. This summer will see another “improvement” made possible by regulators and state attorneys general.

Fairway Collections reports accounts assigned to us to Trans Union and to Equifax, but only if the account is still within its FCRA (Fair Credit Reporting Act) statute of limitations and if it is above \$50. We report these accounts as debts owed to our client, never as a judgment (if a judgment has been awarded by a court).

Judgments find their way to credit reports in a rather old-fashioned way: credit bureaus hire stringers to travel to court houses and to record by hand judgments that are awarded. There are several problems with this process. First, judgments that are paid-in-full or otherwise satisfied

are not always found by these stringers, meaning that debts that have been resolved may not be shown on a credit report correctly. Secondly, there is often not sufficient data in a judgment to identify a consumer correctly. The stringer usually has no access to a social security number, date of birth, or suffix information (junior, senior); without these demographics the judgment may be placed on the credit report of the wrong consumer.

So, what to do? Regulators and the credit bureaus have made the decision to reduce the number of judgments and tax-liens on credit reports beginning in July. This will not only affect credit reports moving forward, but millions of existing reports will find judgments and tax-liens deleted. This deletion will mean an instant improvement in the consumer’s credit score, as negative data disappears.

How does this affect Fairway? Not too much, but it may affect some of our clients (those who use credit

scores as part of their decision making). Fairway will continue to credit report debts for a period of seven years from the date of delinquency (partly why we are so insistent on asking you for this date). Be aware of two things: the credit bureaus drop accounts at 6 ½ years in order to avoid violating the FCRA and Fairway-reported accounts will drop off then even if a judgment has been awarded. For those clients using credit scores, consider checking with your service provider for guidance on how to analyze scores after July, 2017.

As always...the team here at Fairway is ready to answer questions about credit reporting, about other compliance issues, or anything else you’d like to know about debt collections. You may call us toll-free at 800-404-5887 or e-mail us at clientservices@fairwaycollects.com.

Fairway Collections’ mission is to achieve distinction in the debt collection industry
By using state-of-the-art technology, techniques, and training to provide superior recovery
By aligning our business practices with our client’s interests
By treating consumers, employees, vendors, and clients with dignity and respect

The April Edition of "News You Can Use"

Welcome back! April blows itself into view, but this month can surely not be as wet as March was. The editor is really ready for spring, even if it means mowing the lawn. We certainly are ready for changes in the weather, which we hope will bring a new hop to our steps.

As tax day approaches we note that April is also Mathematics Awareness Month and Financial Literacy Month. This seems like a useful combination, and hopefully is not a coincidence. On a related note April 4 is Square Root Day...we pause a moment for the audience to consider that fact. Two other related items: April is Jazz Appreciation Month and April 16 is Record Store Day. Take a minute, find your local independent record store, and buy a CD of jazz music to enjoy during an April afternoon.

Fairway's client care team is expert at helping our clients with their needs, but they are not trained or equipped to help consumers with their debts. Our professional collection account managers are the right people for this task; we appreciate your referring consumers to Fairway for help, but please do not refer them to Tom or Melisa. Thanks in advance for your cooperation.

We don't often have the chance to give advice based on our life experience, but the past three weeks have found the Editor helping his parents make care decisions. This has proved difficult, daunting, and expensive. Takeaways for us? It is never too early, or too late, to start saving for retirement. You might also consider long-term care insurance...find a financial adviser you can trust to help you learn more about both and get started today. As for the Editor,

things are almost resolved; we are ready for a rest.

Having said that, how can you save more for retirement? The April issue of Money Magazine has what might be the most obvious, yet seemingly difficult, suggestion: live far below your means. Could you direct 10% of your income to savings? How about a more outrageous goal: 30%? Work to avoid "lifestyle creep," that tendency to increase your standard of living as your income increases. Having savings, rather than debt, means not being at the mercy of the next emergency or of making difficult choices in retirement.

That's all that comes to mind this month. Baseball returns this month, meaning that life becomes more normal for the Editor...play ball! See you in May...

They said it

After the last of 16 mounting screws has been removed from an access cover, it will be discovered that the wrong access cover has been removed.
De La Lastra's Law

When the character of a man is not clear to you, look at his friends.
Japanese proverb

This country has come to feel the same when Congress is in session as when the baby gets hold of a hammer.
Will Rogers

Reminds me of my safari in Africa. Somebody forgot the corkscrew and for several days we had to live on nothing but food and water.
W.C. Fields

Worry is a misuse of imagination.
Dan Zadra

It is only possible to live happily ever after on a day-to-day basis.
Margaret Bonnano

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Newsletter questions, comments, or ideas

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