

## Collecting Debts – By Email?

In the ARM industry, postage costs have long been considered a necessity – one of the “costs of doing business.” Now – in today’s environmentally conscious world – it’s a cost that is incurring increasingly negative consequences.

Many large collections companies incur tens of thousands of dollars in postage costs per month while mailing collection letters through the United States Postal Service. And these letters – once received, read, hopefully acted upon and then disposed of by the debtor – add tons of paper to community waste streams. Smart collections companies have realized that reducing this waste would not only be a sign of an environmentally conscious company, but might offer an opportunity to explore an alternative collections letter delivery vehicle that could make a significant contribution toward the company’s bottom line.

In the United States, where the latest postage increase was implemented in May, many credit and collections companies have wondered whether email might be used as a significant cost-savings strategy for their debtor communications. The Federal Trade Commission’s Fair Debt Collection Practices Act (FDCPA) may have deterred companies from pursuing an email debtor communications strategy.

But according to Joe Greco, CEO of PSC Info Group, “Recent rulings in a number of courtrooms across the United States have opened the door for the use of email as a debt collection vehicle. Courts have confirmed that emails *are* “writing” – a legally bound written form of communications; and that emails – along with telephone, telegraph and fax – qualify as a term of common law contracts. In addition, emails comply with the Electronic Signatures in Global National Commerce Act enacted in 2001 by the United States Congress.”

So – debtor communications delivered by email save money, help the environment and comply with FDCPA and other governmental rules. But can they match the impact of printed, mailed documents?

“Yes,” says Stephanie Kaster, Vice President of Accounts Receivable Management Solutions for PSC Info Group, “because producing electronic letters mirrors the process of producing a printed piece. We design printed letters using a variety of fonts, colors and graphics. To create an electronic document, we simply create a data file and merge the fields from the printed document into the correct locations of the electronic format. Specific debtors can be targeted using data fields containing an indicator that identifies appropriate recipients.

“Using electronic communications provides another benefit,” Kaster notes: “Unlike printed pieces, you can take advantage of the impact of color without any additional expense.”

A spokesperson for one of the country's largest collection agencies says, "For years, print and mail companies have specialized in designing and creating custom documents that have impact. Some design techniques, such as highlight or spot color, add power to a document and can direct the reader's attention to key information. In some cases, for example, highlight color has been shown to increase desired debtor action by 20% or more. And email communications can match the graphic look and impact of printed documents."

PSC Info Group, with processing centers in Oaks, Pennsylvania and Reno, Nevada, specializes in designing and creating custom documents utilizing color, graphics and a variety of type fonts in electronic and printed formats. With years of experience in a variety of industries, the company has a fully staffed graphics design department capable of performing anything from minor changes to existing documents, letters, statements and envelopes through a complete redesign to increase response and payment rates.

To learn more about how PSC Info Group can help your company use electronic communications and other strategies to improve cash flow, contact Stephanie Kaster at +1 866-693-7660.

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