



President's Note

Welcome to the 2009 Q2 issue of *SOLUTIONS* newsletter. It's been quite busy for us the last few months. But we are excited about the increased business because we know we're helping you streamline your collection operations so they're more efficient and ultimately cost-effective for you.

In this issue, we announce a new client in Sacramento Credit Union. We feel Sacramento has gained a decisive advantage in the collections arena after consulting with us. Introducing new collection methods will make great strides in this area for them. We're also in the process of signing up several other credit unions to help.

In addition, SIF's Collections Checklist was recently featured in CUES "CFO Focus" entitled "Hit on All Cylinders: A checklist for tuning up your collection operations and a case study of one credit union that followed it." We couldn't fit the whole article in the newsletter, so click on the article's link to read the full version.

We would also like to announce that we have hired two new staff members to manage our growth: John Basco, Vice President of Client Services, and Elizabeth Sagehorn, Director of Marketing. Both have a world of experience that will help SIF better serve you. Check out their profiles on the next page.

We hope you enjoy this latest issue of *SOLUTIONS*. Please feel free to contact us if you have any questions or comments. We would enjoy hearing from you. And, as always, we appreciate your business and look forward to continue serving you.

Warm regards,
Bill Garcia

Sacramento Credit Union Gains Decisive Advantage in Collections Arena

[Sacramento Credit Union](#) (\$329 million; 27,173 members; Sacramento, CA) has gained a decisive advantage in collections after consulting with us, to leverage our lending and collection operations expertise. Nationwide, banks and credit unions are facing a collections crisis that threatens their survival. By adopting our streamlined collection techniques, Sacramento Credit Union has ensured that its collection rates will stabilize and begin to decrease.

"The troubled economy and plummeting property values in our region magnified the importance of measuring and managing credit quality," says Jerr-old A. Kinlock, President/CEO of Sacramento Credit Union. "Industry peers highly recommended Solutions in Finance, led by Bill Garcia, as a source of insight to our collections operation. As an expert in this field, Bill validated theories and introduced methods for the enhancement of collections."



"We believe our collections evaluation is a proactive measure for credit unions like Sacramento CU to keep their operations running as efficiently as possible," states Bill Garcia, President/CEO of Solutions in Finance. "We're pleased that our knowledge and experience in the collections arena has already helped Sacramento CU make great strides with its operations."

SIF Checklist Featured in CUES "CFO Focus"

This article appeared in the May 13, 2009, issue of [CUES CFO Focus](#), entitled "Hit on All Cylinders: A checklist for tuning up your collection operations and a case study of one credit union that followed it."

As we all are aware, delinquencies continue to increase due to the turbulent economy. As a result, collection operations at credit unions are taking precedence over other operations. Unfortunately, many credit unions haven't paid much attention to their collection processes until recently-because they haven't had to. In the past, most credit unions practiced conservative, low-risk lending practices, which resulted in a mere trickle of delinquencies. As the economy continues to struggle, it is now time to give your collection department some much-needed attention.

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Come visit us @ booth #209!

Remembering. Celebrating. Anticipating.



Tradeshows Attending:

[Florida Credit Union League](#)
June 17-20, 2009
Orlando, FL

[Credit Union Assoc. of New York](#)
August 2-5, 2009
Saratoga Springs, NY

SIF Hires Staffers to Manage Growth

SIF is pleased to announce additions to staff:

John Basco, Vice President of Client Services

John will be responsible for all client services for lending and collections consulting, as well as on-site training and training seminars. John has an extensive background in both lending and collections and has held Vice President management positions for financial institutions.



Elizabeth Sagehorn, Director of Marketing

Elizabeth will be responsible for marketing and business development. She has held positions with major broadcast company's including Turner and Fox Television.

SIF CUES CFO Focus *continued from page 1...*

Here is a quick checklist to help enhance the efficiency of your collection operations:

1. Is your collections department structured properly? Perhaps you're one of the credit unions that didn't need to worry about collections until now. If so, it may be time to review your structure to see if all positions are correctly in place for maximum efficiency and productivity. Many credit unions still have collectors handle every aspect of a collections effort from cradle to grave—they collect payments, deal with any repossession, and respond to any bankruptcy filing. They do it all, including clerical functions. Many credit unions today are having more collections success by having collections agents that specialize in each area—focusing on getting payments, dealing with repossessions or responding to bankruptcy filings.

2. What collections strategies are you using? Make sure you have the correct strategy in place to ensure your credit union's collection operations are efficient and productive. For example, a proven best practice strategy requires collecting sooner - as soon as five days after a payment was due instead of 15 to 17. Credit unions also need to base their strategies on risk, with more emphasis and priority placed on members with lower FICO scores who are less likely to pay without contact from a collector. A credit union may also want to assign more challenging collections accounts to more highly trained collectors.

3. Are you utilizing technology properly? There are many technologies on the market today to help with collections. But which one is right for you? A third-party collections consultant can help credit unions make a wise purchase in this area for enhanced intuitiveness and integration for a streamlined operation.

[Click here](#) to see the rest of the story.

Staffing & Outsourcing

Fine Line in Staffing

Many credit unions are struggling to maintain the bottom line. In doing so they are cutting cost by reducing staff. With the economy affecting so many credit unions with increased delinquencies and charge offs, the collection department is the last place you should reduce staff.

That said, we have found in some cases when performing collection projects for clients that they are actually overstaffed in collections. There is a fine line between collection department process efficiencies and staff productivity. Credit unions should review their staffing requirements in collections and in lending operations as well. When determining if you are staffed properly, you have determine if you have maximum process efficiencies in place and staff productivity.

Outsourcing a Viable Option

In a continued effort to manage costs, outsourcing can be a viable option in certain area's especially in collections. But you have to be careful on what area you outsource, and it should not be the recovery processes i.e. repossessions, remarketing, and bankruptcies etc. Whenever you outsource you have to make sure that you closely manage the outsource vendor to ensure peak performance.

SIF Services

At Solutions in Finance, we dedicate our proven business model to you in mitigating risks associated with lending by developing and applying best practices within their lending and collections operations. Listed below are our services to help you:

- **Business Lending Services**
- **Consumer Lending Services**
- **Collection Operations**
- **Collection Management Services**

Solutions in Finance
15559 Union Avenue, Suite 172
Los Gatos, CA 95032
888-447-0324 x-210
www.solutionsinfinance.com