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SIF in the News

[Solutions in Finance, Inc.](#) made more headlines lately as [CUNA NewsNow](#) ran a story on SIF's Roll-Rate Goal Matrix. Here's an excerpt...

Credit unions should know that measuring delinquency roll rates is a powerful tool in determining collector performance and the results of collection department efforts, said Bill Garcia, president/CEO of Solutions in Finance.

Beginning Month	30-day	60-day	90-day	120-day	150-day	180+
10-30 roll to	10%					
31-60 roll to		15%				
61-90 roll to			20%			
91-120 roll to				30%		
121-150 roll to					40%	
151-180 roll to						50%
181+ roll to						60%

Solutions in Finance, a Los Gatos, Calif.-based consulting firm that provides service for financial institutions in consumer lending, indirect lending, mortgage lending and collections operations, has created a delinquency roll rate goal matrix.

Measuring delinquency roll rates means measuring the beginning month delinquency numbers and dollars in the delinquency aging buckets against the month-end delinquency numbers and dollars in percentages. Aging buckets can include 10-30, 31-60, 61-90, 91-120, 121-150, 151-180 and 180-plus. The actual percentage may vary by credit union, region and the credit quality of the loan portfolio.

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

NIHFCU Benefits from Quality Collections

We completed a collection consulting project for [National Institutes of Health Federal Credit Union](#) (NIHFCU) in December 2009 and then began a collection management project with the credit union in January 2010 to help it incorporate the recommended changes. From our recent findings, we identified significant improvement opportunities in NIHFCU's collection quality area. As a result of the related improvements in collection processes and productivity, the credit union is saving an estimated \$265,000 a year in loan losses. This accomplishment was achieved without the addition of staff.

In 2009, before incorporating our standards for collection quality, NIHFCU repossessed an average of 14 units a month. This average is not high compared to peer levels. However, since January 1 to May 31, 2010, the average repossessions have been reduced to merely three units per month. This reduction averages out to 132 less repossessions a year.



Due to substandard collection quality prior to our assistance, NIHFCU had a repossession redemption rate of 54 percent in 2009. In other words, more than half of the members had the ability to pay the loan current, but the collection efforts prior to repossession were ineffective.

In 2009, 75 repossessions ended up at auction for sale and resulted in loan losses for NIHFCU. The year-to-date projections for 2010 show the credit union will have 22 repossessions resulting in losses at auction this year. This projection means there will be 53 less loan losses this year. Applying a conservative average loss per loan of \$5,000 means the credit union is saving a possible \$265,000 a year (53 multiplied by \$5,000).

For more information on our collection services, visit www.solutionsinfinance.com.

Pinnacle FCU to Receive SIF Services

We have recently signed a contract with [Pinnacle Federal Credit Union](#) to provide them with our lending and collections consulting services. We will commence our operation reviews in July 2010. Pinnacle FCU is looking for assistance with its lending and collection practices in these areas:

- Staffing
- Offering mortgages in-house
- Underwriting
- Implementing best practices



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New Services at SIF Save Clients Costs, Labor, and Time

In an effort to help better serve financial institutions to increase their profits margins, we have added new, proactive services that analyze operational efficiencies and staffing requirements in a financial institution's collection operation. These services are specifically designed to identify operational inefficiencies as well as recommend process change opportunities to reduce operating expenses. As a result, financial institutions save money in a tight economy.

“During our many years of collection and lending consulting for financial institutions, we have identified major opportunities to improve operational efficiencies,” states Bill Garcia, President and CEO for Solutions in Finance. “The opportunities have been identified during our routine on-site consulting projects, so it made sense to create these helpful services to address these issues.”

Our other new service, staffing analysis, analyzes a staff's queue loads and other duties to determine if a particular department is staffed properly – whether it's under- or over-staffed. According to Garcia and much to his surprise, he has found that some organizations are actually over-staffed – even during these challenging economic times.

SIF New Website Launch

With today's financial services collection operations still in a quandary, we have decided to revamp our website to manage our increasing business and continue to answer financial institutions' needs for retooling their collection operations to manage the recent upsurge. Now we have taken this knowledge and applied it to our website for other credit unions and banks to gain valuable insight on how to manage their collections department.

Our new website now houses archived podcasts, newsletters, case studies, and other helpful information on how financial institutions can not only make their collection operations more efficient but streamline their lending practices – now that the economy is slowly recovering. Along with our unique tiered services program – which allows the company to serve financial institutions at varied levels of need, our website also outlines our primary consulting services

“If the new website can assist our clients in getting started to enhance their lending and collection practices, then it's done its job,” states Celeste Garcia Johnson, Senior Vice President and Chief Operations Officer for Solutions in Finance. “That's the goal: to help clients increase their value.”

SIF Services

At Solutions in Finance, we dedicate our proven business model to you in mitigating lending risks by developing and applying best practices within your lending and collections operations. Our expert services include:

- **Collections Consulting**
- **Collections Management Services**
- **Consumer Lending Consulting**
- **Consumer Lending Management Services**



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