

RISING DELINQUENCIES AND YOUR BOTTOM LINE IN 2023



CHALLENGES

Today's Tumultuous Trends, Tomorrow's Cloudy Forecast

ORGANIZATIONS ARE FACING MARKET AND REGULATORY PRESSURES



1

**DELINQUENCIES
ARE ON THE RISE**



2

**CONSUMER
PREFERENCES
HAVE CHANGED**



3

**COMPLIANCE IS
BECOMING MORE
COMPLEX**

DELINQUENCES ARE ON THE RISE

As of Nov 2022,
card balances are up 16.25% year over year,
and delinquencies have been steadily rising.
Delinquency rates were up 3.28%
month over month from Sept to Oct 2022.

Source: Experian





Consumer Preferences Have Changed

94%

of unidentified calls go unanswered

49.5%

of consumers take no action after a collections phone call

46%

of consumers expect to communicate through preferred channels

72%

of consumers say they only engage with personalized communications

BOTTOM LINE:
Outbound calling alone
doesn't work (but we
can tell you what does).

COMPLIANCE IS BECOMING MORE COMPLEX



"CFPB ISSUES \$4M IN PENALTIES AND PERMANENT BANS AGAINST PREDATORY COLLECTION RING"

-TRUEACCORD

"CFPB TAKES ACTION AGAINST CHOICE MONEY FOR REMITTANCE FAILURES"

-CONSUMER FINANCE

...and the penalties for non-compliance are becoming more severe.



OPPORTUNITIES

Three Things are Critical for Turning Challenges into Opportunities

1



**DIGITAL
ENGAGEMENT**

2



**MEET CONSUMER
PREFERENCES**

3



**COMPLIANCE
MINDSET**

DIGITAL ENGAGEMENT WORKS



At TrueAccord, we've found

96% of consumers who resolve their debt
with us do so via digital self-service,

without any human interaction.



Meet Consumer Preferences, Achieve Better Performance

“This audience [consumers in debt] may have already had experiences with incessant collection phone calls, and they are used to avoiding them. I wanted to find an agency that was doing things differently. I knew that TrueAccord was using technology and digital channels in a way that other providers weren’t. What we saw was almost 25-35% better performance with TrueAccord, -- compared to the accounts we placed with traditional agencies.”

- TODD JOHNSEN / SENIOR MANAGEMENT COLLECTIONS VENDORS / SNAP FINANCE



Maintain an Evolving Compliance Mindset

“Compliance [needs to be] interwoven, and I think that’s reflective of its compliance management system and company culture. No matter where you’re at within your compliance management system, the important thing to remember is that you don’t have to stay there—you can evolve.

Compliance is more than a department, it’s more than a program, it’s more than a system. It should be part of an organization’s cultural DNA.”

- LAUREN VALENZUELA / ASSOCIATE GENERAL COUNSEL / TRUEACCORD



SOLUTIONS

Reducing Charge-Offs Requires Investment in Digital Transformation



1
**IMPLEMENT
EFFECTIVE DIGITAL
STRATEGIES**



2
**ADAPT TO
CONSUMER
PREFERENCES &
PERSONALIZATION**



3
**PAY ATTENTION
TO COMPLIANCE**

Effective Digital Strategy is More Than Sending Email



IF YOU **BUILD IT** YOU:

- Need expertise in machine learning, data science, regulatory compliance, deliverability, digital experience, etc.
- Have total control over the consumer experience
- Lower your risk of vendor “lock-in”

IF YOU **BUY IT** YOU SHOULD EXPECT:

- Specialized recovery expertise
- Best practice knowledge base
- Technology solutions ready to implement rather than in-house teams building from scratch

TRUEACCORD SOLUTION

- Digital-first and best-in-class with a track record to prove it
- Both pre-charge off and post-charge off solutions available
- Designed to recover more from happier customers

Consumer Preferences & Personalization at Scale



IF YOU **BUILD IT** YOU:

- Implement and automate email and/or SMS messaging
- Develop data modeling or machine learning to engage with consumers where they are in the financial journey
- Maintain call center to cater to customers who prefer calling
- Adapt and optimize as consumer preferences evolve

IF YOU **BUY IT** YOU SHOULD EXPECT:

- Machine learning as an integral part of developing and delivering customer communications
- Ability to scale collection engagement practices without adding more in-house headcount

TRUEACCORD SOLUTION

- Patented machine-learning decision-engine HeartBeat
- Decisions powered by data from 20 million customer engagements and counting
- Determines right message, right channel, right time to reach the most favorable outcomes

Compliance Matters

(TODAY, TOMORROW, & BEYOND)



IF YOU **BUILD IT** YOU:

- Build tools and processes to be nimble to the regulatory changes
- Dedicate a team to stay on top of the evolving patchwork of federal, state, and regional guidelines
- Regularly audit internal process to avoid compliance fatigue

IF YOU **BUY IT** YOU SHOULD EXPECT:

- Solutions built with compliance in mind
- Oversight to ensure consumers (and your company) are protected, such as, front line controls, compliance monitoring, and internal audits
- When buying, your company must do its due diligence to ensure every third-party vendor is compliant

TRUEACCORD SOLUTION

- Code-based approach to compliance, ensuring communications meet federal and state laws and regulations
- Coded controls are monitored, tested, and audited regularly
- Lowers operational risk across the board

Learn more about how to drive your bottom
line in 2023 with TrueAccord

[SCHEDULE A CONSULTATION TODAY!](#)

