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Aspen National Collections

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***Timeshare Resort Receivables: Bulletin #9***

***Timeshare board members get insider’s
view of maintenance fee delinquencies***

“Delinquencies: They’re a fact of life!” David Combs, a senior representative at Aspen National Collections told an attentive audience of resort managers and homeowner association (HOA) board members during the April 24-26, 2013 meeting of the Timeshare Board Members Association (TBMA). During the course of the conference Combs had the opportunity to talk to various board members about the state of the industry and how their own, individual resorts are being affected.

Addressing the crowd during a session focusing on dealing with the escalating incidence of resorts that are experiencing severe financial difficulty, Combs shared from his experience gleaned from visiting resorts throughout the country, year after year. For those board members thinking that their problems would dissipate once the economy improves, he sought to correct that assumption. With the advancing in age of the majority of resorts built in the ‘80s or early ‘90s, a rising delinquency problem was inevitable even without the recession. A sour economy just naturally exacerbated what was a looming issue in the first place: Without an active sales or resales program, a resort’s revenues are bound to go into a decline.

Combs asserted that one way or another, a resort needs to be proactive in attempting to get people to pay their obligations. The only real question should be not *whether* or not to start a collections program, but *how* to do so.

“I tell resorts all the time that it’s okay to handle your collections internally if you have a trained professional on staff who is qualified and experienced,”Combs said. “But it is rare, indeed, for an employee to have had the training, skill and time to make a worthwhile effort. Meanwhile, if that individual fails to be successful, you’ve got a growing delinquency problem that is now even worse! The delay in getting those maintenance fees on the books will wind up costing your resort more in terms of interest rates on borrowed money or having vendors stop providing services because of your failure to pay.”

Combs observed that there’s a good reason why the majority of resorts in the U.S. currently are outsourcing. “When you do a cost/benefit analysis and compare the efficiencies between a resort’s efforts versus the training, staff and technology employed by a qualified timeshare collections agency, there’s just no downside to outsourcing. Plus, outsourcing insulates the resort’s staff and HOA board from being seen as ‘the bad guys.’ It’s realistically much more expedient.”

During his presentation, Combs shared a graph from the Commercial Agency Section of the Commercial Law League of America, which shows how dramatically your chances of getting paid decrease with each month you wait before placing an account.

**8 Things to look for in a collection company**

Combs told the group to look for the following when selecting a third-party collection agency:

1. Timeshare-oriented company
2. Expert staff – sound initial & ongoing training
3. Proper licensing and knowledge of Federal and state laws of the locations in which your owners live (not just your resort’s location)
4. Have the Resort's best interest in mind
5. Assertive and firm; yet non-threatening
6. Attempts are made to regain a dues-paying owner/member
7. Track record of success
8. Sound references

**Partnering with your agency**

“Demand your rights!” Combs admonished. “You should have the ability to view accounts online, 24/7. In today’s environment, the agency should have the technology and be eager to allow you to listen to recordings of any collection call, particularly if there has been a complaint. If they don’t have such systems available, beware! You want to be doing business with reliable, serious business people; not a ‘mom and pop’ who have installed a few telephones.”

Combs further urged those selecting a professional collection company to make sure they receive detailed monthly reports.

“In terms of pricing, in most states, agencies are permitted to recover any additional costs from the consumer, including merchant fees and cancellation fees,” he added. “Your Agency should work for a percentage of the recovered amount…they don’t get paid if they don’t collect!”

Attendees were able to learn a lot more about the various options a qualified timeshare collections company could offer. While many understood the collections procedure to include letters and phone calls, Combs also explained several other applications for which Aspen’s predictive dialing technology can be used. He also described how his collectors are trained and motivated and what types of transactions they are liable to suggest, such as obtaining a deed-in-lieu or a settlement amount when an owner is unable to pay the full amount owed.

**About Aspen National Collections**

Aspen National Collections is a national agency with specialized expertise in consumer debt collections for companies involved in timeshare or vacation ownership resorts. Professional collectors are carefully trained in reminding owners/members of the value of their vacation purchase. They are skilled at performing their work in a firm, assertive manner, while adhering to Aspen National’s commitment to high ethical standards. Aspen customizes collection programs to fit the resort’s needs and prides itself on working every account to the fullest. For more information, contact Buzz Waloch at 1-888-855-5333, (760) 840-9678, buzz@aspennational.com or David Combs at 1-800-283-2797, 1-970-250-6592, dcombs@aspennational.com. Visit [AspenNational.com](http://aspennational.com/collections/) for more information and to subscribe to the series, “Aspen Tips for Better Portfolio Management.”

Email Buzz@AspenNational.com or DCombs@AspenNational.com and send us your questions. Let us know what you think! Did you miss our previous bulletins? Give us a call (contact Buzz Waloch at 1-888-855-5333, (760) 840-9678 or David Combs at 1-800-283-2797, #6209, 1-970-250-5692) or go to our web site [AspenNational.com](http://aspennational.com/collections/bulletins.html) to download previous bulletins or sign up to for future ones.

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