

These debt collectors have everyone's seal of approval

By Thomas V. Bona

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ROCKFORD — A good way to judge a collection agency is by its clients.

Financial Management Systems' largest contract is with the Department of Education, which requires its vendors to meet strict compliance and performance standards. FMS has worked for the DoE since 2004 and is one of 17 of the hundreds of private collection agencies in the country to get one of those contracts this year.

That's a vote of confidence by the federal government, said Tim Fitzgibbon, vice president of debt management for the National Council of Higher Education Loan Programs.

"The department runs the program very well. They monitor performance monthly, and part of their evaluation is customer service and borrower complaints," he said. "A company is not going to be successful if they ... are just hard-core and use very negative tactics."

Schaumburg-based FMS opens its Rockford call center this month. Most of the company's work is related to collecting student loans, although it does other debt collection and government and business service work. The Rockford location will focus on private-sector contracts, including student loans from colleges and banks.

Company officials say they pay more than average for their industry, have less employee turnover and have a strong track record of recovering money for clients while minimizing complaints.

'No pattern of complaints'

Its reputation for compliance is backed up by government and private oversight agencies. The Federal Trade Commission, which regulates debt collection, hasn't taken any actions against FMS, and the Illinois attorney general's office and the Better Business Bureau say the company hasn't had a high number of complaints or a troubling pattern of complaints.

The Better Business Bureau has fielded 50 complaints in the past 36 months, and the company has resolved them to BBB standards.

"Given the size of the company and the business they're in, that is not an inordinate number, nor is it abnormal to have that number of complaints," said Dennis Horton, director of the Rockford BBB office. "People are generally unhappy with collection agents and will file a complaint, regardless of what happened. There are no serious complaints, and there is no pattern of complaints."

Rockford has attracted a growing number of call center firms, with varying levels of pay, benefits and training requirements.

Five years ago, Capital Acquisitions and Management Co. was shut down amid allegations of breaking federal laws on debt collection. It moved its corporate headquarters here and promised 350 high-paying jobs.

The bad apples in the industry put a mark on all firms, but local economic development leaders think FMS is one of the better operations.

"It's really designed more to help someone understand their options and help someone try ... to meet their debt obligations as opposed to the threatening style that got CAMCO indicted for its practices," said Eric Voyles, vice president of national business development for the Rockford Area Economic Development Council.

And FMS doesn't focus solely on debt collection; it counsels borrowers before they default. The company also is developing

How to get involved

To apply for current and future openings at Financial Management Systems' facilities in Rockford and Schaumburg, go to fmsdc.com and click the Careers tab.

technology to track deadbeats and stop fraud on government payouts.

‘Show them a career path’

Call center jobs aren’t ideal for everyone, Voyles said, but work at solid firms can launch someone into a customer-service or administration career.

“Companies like FMS and Vision and NCO, one of the principal things they do is teach good customer-service skills,” he said. “They really stress that you have to know what you’re going to say, say what you mean and not escalate any situation.”

FMS has received hundreds of applications for the Rockford branch. The company expects to start with 25 to 30 employees here, expanding to 50 to 100 in six months and to 350 people within two years.

Salaries start at \$20,000 to \$30,000 a year, plus benefits, but employees who perform well can qualify for thousands more in bonuses. The average pay at the facility, including management, is expected to be \$40,000 a year.

“What sets us apart is our training, our development. We treat people with respect, show them a career path and help them get it done,” said John Kolakowski, senior manager of FMS’s private-sector operations and a key official in setting up the Rockford office.

“The old-school mentality that some businesses or agencies might hold on to or use today is, ‘Let’s hire 20 and hope five stick.’ We don’t share in that mentality because it costs money to bring people in. We go above and beyond where most people stop.”

Handling student loan accounts is usually more complicated and requires more training than consumer debt, said Michael Lamm, associate for Kaulkin Ginsberg, an advisory firm for collections operations.

“What’s important is their ability to interact with a more sophisticated, well-educated consumer, where they need to be able to articulate that there’s a current issue with the account and how can it be resolved,” Lamm said. “It’s more paper-intensive, so there’s more files and information that the collector needs to review to be able to understand the account. In a credit card account, it’s simple — there’s a bill, there’s an amount, and you owe it.”

Jobs needed

FMS’s efforts fall in line with an industry drive to increase professionalism and make it more of a career, said Adam Peterman, director of government affairs for ACA International-The Association of Credit and Collection Professionals. ACA members — FMS is one — have to follow a code of ethics that outlines business practices.

“It’s all too easy for that vast, vast minority to taint the rest. Our member companies do everything they can to go above and beyond,” Peterman said. The industry “offers great pay in what we have found to be a stable and friendly work environment, and it’s providing opportunities in economically hard-hit areas like Rockford where there might not be as many opportunities.”

A key difference between a bad and a good collection agency is the attitude it instills in its employees, said Heidi Berardi, vice president of Family Credit Management in Rockford, which has heard “horror stories” of people being harassed by phone calls.

A collection agency that focuses on pure numbers and commission often can get employees who threaten debtors and walk the line of acceptable practices. A more responsible agency will focus on helping debtors pay back what they can and provide an important service to the government and to private businesses.

“Obviously, Rockford needs the jobs right now,” Berardi said. “I certainly hope (FMS will) fit in to our economic picture here and be as good as they say they’ll be.”

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