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# The Connection

Prepared Exclusively for FCN's Clientele

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## DO YOU TAKE THE MONEY?

Have you ever had a consumer call your office to deal with a financial matter that has been turned over to our office for collections? Many times consumers call to pay, settle, dispute and /or request an invoice about an account that has already been forwarded to our agency and there are many times our clients are not sure how to handle these situations. First of all, we are here to help. At any time you are more than welcome to tell consumers to contact our office to deal with any issue in regards to their account. Our team has the expertise to help your consumers resolve their accounts. Here are some other suggestions that might help:

### "I don't want to deal with THOSE people!"

We are really great people once they give us a chance! By directing consumers back to us, you are reinforcing why you sent the account to us in the first place. Of course, there are exceptions, but the more you follow through, the more your customers understand that they need to pay your organization on time. If you consistently pull consumers out of collections

because they don't want to "deal" with us, we lose credibility and they learn they can pay when they want.

### "But I want to pay you!"

We find that consumers will avoid dealing with FCN so that they don't have to pay the interest that has been accruing on their account. We charge this interest to help off set our costs on your portfolio of accounts. If this happens, we highly recommend that you **take the money!** Asking a consumer to pay the bill by calling or visiting our office gives them the opportunity to spend that money someplace else. **BUT**, before you take the money, take a moment to either log into FCNet™ or call our office to get the full balance.

### "I'd like to make a deal"

If a consumer wants to settle an account with you feel free to do so, but let us handle the negotiation for you. Ask the consumer to call our office. We might be able to help you get more money for the account. We encourage our clients to set up settlement criteria that our Collection Team is able to work within. If you would like to make an exception, please call our office

and speak to a Customer Service Representative.

### "I am disputing this debt"

We don't want you to feel like "monkey in the middle" of a dispute, so let us handle these situations. Ask the consumer to call our office. We will follow the dispute procedures we have set up with your organization, as well as update credit reporting. We will work with you to get the issue resolved for your consumer.

### "Prove it!"

Most of the time, when a consumer is asking for proof of the debt we have the information on file. They don't need to bother your office for you to provide it again. If we don't have something on file we will contact you ourselves.



Just remember, we are here to help you. FCN has invested in the resources that recover money for you. Let us do the work! If you have any questions, please contact our Customer Service Department or your Account Executive.

# gar·nish·ment

(gär n sh-m nt)

**n. 1. Law**

**a remedial device used by a creditor to have property of the debtor or money owed to the debtor that is in the possession of a third party attached to pay the debt to the creditor; specifically: attachment of the debtor's wages to satisfy a judgment.**

A garnishment is a tool that debt collectors and creditors often use to collect on debts owed. Once an account is assigned to our office for collection and the consumer has not cooperated, we will identify the consumer is employed and then we seek a court ordered judgment. Once a judgment is received, we prepare a writ of attachment "levying" on the judgment. Levying a judgment means FCN has received the court's permission to have certain items of the consumer's property seized.

The consumer must also receive a notice of garnishment informing the garnishment has been adjudicated, the amount that will be garnished and the length of time the garnishment will remain in effect. It also includes information regarding consumer's

rights and exemptions with regard to the specific garnishment.

The most common garnishment is a wage garnishment. A wage garnishment, through legal proceedings, allows an agency to collect money from the consumer's employer. A percentage of the employee's check is withheld until the debt is paid. Title III of the (CCPA) Consumer Credit Protection Act protects employees from being terminated due to wage garnishment. The CCPA also regulates the amount of an employee's earnings that can be garnished. "Federal law states a garnishment sought in federal court may not exceed 25 percent of the consumer's disposable earnings in a week, or by the amount by which the consumer's disposable earnings per week exceed thirty times the federal minimum hourly wage in effect at the time of earnings are payable."

A bank account can also be garnished. This involves levying a consumer's bank account. The bank is required to freeze any monies which are not exempt from the collector.

In states where wage garnishment is allowed, state law where the consumer resides applies. The four states that do not allow wage garnishments are **North**

**Carolina, Pennsylvania, South Carolina, and Texas.**

Many states have adopted federal guidelines. Examples are **Alabama, California, Kentucky, Michigan, Mississippi, Ohio, and Washington.**

If a consumer moves to another state, garnishment for the debt cannot be transferred to another state. The judgment has to be domesticated in the new state the consumer lives. If the consumer moves to a state that does not allow garnishments, generally speaking a garnishment will not be possible.

Wage or bank garnishments can be a successful tool to use in collecting bad debt. Reducing an account to judgment and garnishing can be both an expensive and time consuming process, but are a helpful way to collect on debts from consumers with assets. Finding an asset first is essential to ensure success in collecting via a garnishment.

As always, legal proceedings are FCN's last resort. We try diligently to work out an arrangement with the consumer before moving forward with these measures. If you have questions regarding FCN's legal procedures, please contact our Customer Service Department.



## WHAT IS THE "HITECH" ACT AND WHERE CAN I GET MORE INFORMATION?

If you recently received a Business Associate Agreement or Amendment that mentioned the HITECH Act and wanted more information, you can visit [www.hhs.gov](http://www.hhs.gov) for answers from the department responsible for enforcement of HIPAA. The Health Information Technology for Economic and Clinical Health (HITECH) Act, was enacted as part of the American Recovery and Reinvestment Act of 2009, signed into law on February 17, 2009, to promote the adoption and meaningful use of health information technology.

As a Business Associate we had one year to comply the Security Rule provisions; Breach Notifications; Minimum Necessary Standards; Electronic Health Record Requirements; Prohibition of Sale of Electronic Health Records of Protected Health Information. In addition, we are assisting our clients with compliance by providing new Business Associate Agreements or Amendments to existing agreements.



## FTC EXTENDS ENFORCEMENT DEADLINE FOR IDENTITY THEFT RED FLAGS RULE

Originally intended to become effective on August 1, 2009, the Federal Trade Commission (FTC) is further delaying enforcement of the "Red Flags" Rule through December 31, 2010, while Congress considers legislation that would affect the scope of entities covered by the Rule. Both the AMA and the ADA are trying to exempt medical and dental practices.

If Congress passes legislation limiting the scope of the Red Flags Rule with an effective date earlier than December 31, 2010, the Commission will begin enforcement as of that effective date.

In the interim, FTC staff will continue providing guidance through materials posted on [www.ftc.gov](http://www.ftc.gov). There are simple questions on the site to determine if your business is required to comply. The FTC also published a compliance guide for businesses and created a template that enables low risk entities to create an identity theft program.

FCN's Red Flag Policy is available on the web portal or by asking for a copy from our Customer Service Department.

