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*From Our Family to Yours*

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# DUE DILIGENCE

Issue 51 December 2004

## The Collectors *By Kevin Vink*

**Seasons Greetings**  
*From Our Home To Yours!*



Ignore it and it will go away, right? Wrong! Many people are aware that a delinquent account of theirs has gone into collection. They may be contacted for a little while by the agency and then it is quiet. Many people assume that if they wait for some time this nuisance will go away. Then the time comes to purchase a home or refinance the home they have and wham, those collections rear their ugly heads and you are told that to get the best terms for your new mortgage you must settle the outstanding collections.

Increasingly though, collection agencies are becoming more aggressive in collecting the debt owed them. Typically these agencies purchase un-collectable accounts from creditors such as utilities, credit card companies and medical institutions for pennies on the dollar. It is their hope that they can then persuade the debtor to pay them the amount owed, or even settle for less than what is owed to clear the account.

One of the larger firms that handle collections is Asset Acceptance based in Warren, Michigan. They have been actively buying up other agencies debt and even more aggressively going after the debt payments. Because they can buy this debt for as little as two cents on the dollar they have deployed an army of lawyers to go and file suits on their behalf in small claims court to try and strong arm the people into paying. Once again, many individuals have chosen to ignore their summons to court, which has resulted

## December 2004

SUN	MON	TUE	WED	THU	FRI	SAT
			<b>1</b> Rosa Parks Day	<b>2</b>	<b>3</b>	<b>4</b> State Capital Day
<b>5</b>	<b>6</b>	<b>7</b> Pearl Harbor Day	<b>8</b> Hanukkah	<b>9</b>	<b>10</b>	<b>11</b>
<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b> Boston Tea Party	<b>17</b>	<b>18</b>
<b>19</b>	<b>20</b> Louisiana Purchase	<b>21</b>	<b>22</b>	<b>23</b> Katy's Birthday	<b>24</b> Christmas Eve	<b>25</b> Christmas Day
<b>26</b> Kwanzaa Begins	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>31</b> New Year's Eve	

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# The Collector Continued

in a victory for Asset Acceptance, with often a much higher amount now owed due to accruing interest and court fees. Many times this company will only take an individual to court if previous efforts to settle the account have failed, even when a discount to the amount owed has been offered. The company does say



that typically if a case does go to court and if the individual does fight back, they will back off to avoid expensive legal wrangling. The gist of this scenario though is that poorer and less sophisticated debtors are more likely to face a judgment. This company vigorously defends that all debtors are treated the same and that by buying old debt it indirectly encourages new lending and lowering the costs of borrowing money.

The upshot of all this is, pay your debt. Inevitably your missteps will come back to haunt you at the most inconvenient and inopportune time. You will be forced to deal with the issue then. Plus, collections will do damage to your credit score and adversely impact your ability to obtain favorable financing.

*(Excerpts from The Wall Street Journal)*

# Mortgage Broker of the Year!



Our President, **Pava J. Leyrer**, has received the *Broker of the Year* award from the **Michigan Mortgage Brokers Association (MMBA)**! Pava was honored at the organization's annual Expo in Dearborn on November 10, 2004. She is active statewide as well as on a national basis, serving on the Executive Board of the MMBA, as well as the Chair of it's Political Action Committee (PAC). We congratulate Pava on her consistent commitment to integrity, leadership, and education in quality mortgage lending.

# Contest Winners!

Thank you to those who participated in our Thanksgiving Contest. Entries expressed feelings about why they were thankful. *Congratulations* winners, **Cora Kuiper** and **Amanda Pluger**. They will be enjoying free massages to help them relax during the busy holidays! Here is Amanda's winning entry:



*I thank God everyday for the many things He has blessed me with:*

- Friends & Family
- Health & Strength
- Job
- Home & Shelter
- Food
- Clothing
- Freedom
- Transportation & Car
- Jesus & Salvation

*"Give thanks to the Lord because He is good. His faithful love continues forever." Psalm 118:1*

*Thank you, Lord, for the gifts you send and for Your love that will never end.*

# Our Staff

- |             |              |
|-------------|--------------|
| Pava Leyrer | Brian Leyrer |
| Kevin Vink  | Rob Stacey   |
| Robin Fager | Amy Perrin   |
| Holly Gosko |              |

Additional Support: Pam Flikkema; Matt Leyrer; Katy Felver; Jean Lietzke

# Test Your Credit Savvy By Amy Perrin



It's quiz time, just like in all of the women's magazines. You've been reading all of our credit advice over the years, now let's see how much you remember. I'll be rating you at the end so put on your thinking cap.

1. You want to raise your credit score by closing out a credit card. Should you close the one you've had for two years and that you never use or the new one you opened to save 10% on your last purchase at a store?
2. You had a financial emergency and now you can't pay your credit card balance in full and on time as you always do. Should you pay the minimum balance on time or wait and send the full amount late?
3. You want to clear up some things on your credit report to improve your score. Should you pay the newer collections first or the stuff that's been out there awhile?
4. You've got a ton of outstanding medical bills. Should you file for bankruptcy to get rid of them if you want to buy a house in the next year?
5. You get three offers for new credit cards in the mail every day. Does it matter if you keep accepting them and shifting your debt from card to card?

**HOW DID YOU DO?** If you answered one or two correctly, you listen like my four-year-old. If you correctly answered three or four, you listen like my husband. If you answered all five correctly, you listen like my best friend, and be sure to tell this information to everyone. Thanks for playing and call a Heritage National Mortgage loan consultant for clarification on any of the above questions and answers.

*Here are the correct answers:*

- 1-close the newer card
- 2-pay the minimum on time
- 3-pay the collections with the most recent dates of activity first
- 4-most lenders will ignore medical bills but not a bankruptcy for at least two years
- 5-try to stick with one card, a lot of new credit can lower your score

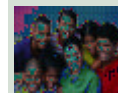
# Creditor Tips

- > Call creditor when payment will be missed immediately.
- > Write down name & phone number of person you spoke with & details.
- > Try to negotiate new payment or payoff. Call back if unsuccessful the 1st time & try again.
- > Get everything in writing or document it.
- > Keep all receipts/notes.

# Contest Winners... cont.

Here is Cora's contribution: This Thanksgiving season I'm thankful to God for:

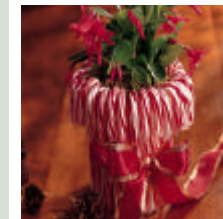
- U. S. TROOPS
- CHURCH
- HEALTH
- CHILDREN
- WALKING
- JESUS
- GRACE
- BIBLE
- HEAVEN
- FAMILY
- UNITED STATES
- BICYCLING
- and countless more.



*Thank you for sharing with HNMC!*

# Candy Cane Planter By Robin Fager

*Tis the season to get crafting! Make an attractive holiday planter (fill with poinsettias, rosemary or Christmas cactus) from candy canes and an ordinary food can. This versatile "planter" also makes a great gift when filled with cookies, candy or breadsticks. Make 1 planter from start to finish in just 30 minutes!*



- Glue gun and glue sticks
- 40 individually wrapped 6" long candy canes
- 1 empty fruit or tomato food can (28-29 oz.)

Pipe glue from hot-glue gun along back of 1 candy cane (in wrapper attach to can so that hook of candy cane is at top of can and curves away). Repeat with remaining candy canes to cover side of can.