



SCOPE

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How the Triadic System Can Help You

IACC exists to make your business life easier, in part by helping you make critical industry connections. One way we do this is through the triadic system: a symbiotic relationship between collection agencies, law lists and collection attorneys, which are the three pillars of the commercial collection industry. This legal forwarding network has been in place for decades and is designed to boost efficiencies for members.

All IACC members are committed to the triadic system within the association as there is a mutually beneficial relationship between each of the membership categories.

With a triadic structure, agencies market their services directly to the credit granting community. Since most agencies do not provide legal services, the agencies collaborate with debtors

and their attorneys, creditors and law list publishers to provide a conduit for efficient communication and performance.

Law lists publish directories of commercial collection attorneys. Currently, IACC has six member law lists that agencies can use. The law lists evaluate attorneys' credentials and references before admitting them, and they continually reevaluate each law firm to ensure it remains suitable for agencies.

For agencies, the triadic system can help increase recovery rates and save you time.

"If an agency can't collect on an account, then we have to find an attorney. Now, as an agency, do I really want to search around for attorneys? That's a time-consuming process—a lot of work," said Jim McConville, COO

of the AMS Division of Windham Professionals. "That's why the law lists are so helpful because they become the middleman between the agency and the attorney. In many cases, just the thought of having to look for an attorney would preclude a lot of people from going out and trying to sue somebody or they may not necessarily do it in the most efficient and effective way. So the triadic system allows for clients to get the benefit of three separate pieces of the collection industry that are working hand in hand to maximize their opportunity for collection."

The triadic system also provides agencies with important financial protections.

"I think all members should know about the bond protection," said

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PRESIDENT'S LETTER



Looking Ahead

By Brad Lohner, IACC President

With 2022 freshly behind us, everyone will agree that the last few months have been quite the rollercoaster.

Assignments in the commercial recovery space were up for my firm, but the customers' compliance requirements also increased, putting added strain on margins. Combining that with unfilled job vacancies and inflationary pressures makes for some interesting conversations.

I'm saying all this because it is affecting us all in one form or another, and this year's annual conference in South Beach, Miami, will touch on all these concerns and more, culminating with our Hot Topics session where we can share and learn from one another.

With the currency fluctuations (perhaps another Hot Topics question!), we hope our international members invest in attending this conference and network like crazy. Your attendance means the world to us (pun intended), and we value your input and participation.

Since this is my last message as president, I take this opportunity to say thank you to all the hard-working committee chairs and members. Without your volunteering efforts, the IACC would not be what it is today.

Also, a huge thanks to our Executive Director Jessica Hartman and her team of dedicated professionals for keeping the various committees on track and productive. We

could not have done it without your help and guidance:

- **Kelsey Voorhees:** Manages the day-to-day details with a primary focus on meeting planning and education session execution.
- **Tammy Schoenberg:** Handles the financials, IRS filings, etc. and manages Kelsey and Kelly.
- **Kelly Sieberg:** Handles membership apps, renewals, meeting registrations and other miscellaneous admin work.
- **Anne Rosso May and Lori Bowes:** Write and help with *Scope* production.
- **Ashley Driste:** Meeting planner.
- **Sara Moe:** Handles all our graphic work for the website, meeting promos and *Scope* etc.
- **Eric Soderberg:** Handles our monthly financials.

And finally, I extend my appreciation to all my commercial recovery colleagues who give their time, talent, and a little treasure to the betterment of the IACC by volunteering on the committees and at the Board of Directors level. I encourage each of us who will continue to sit on the various committees and anyone new to rededicate ourselves by being available to attend next year's meetings and help us execute our strategic plan.

Yours truly,
Brad Lohner

Gary Tier, president and publisher of The Forwarders List of Attorneys and chair of the IACC Triadic Committee. "If an agency forwards a claim to a law firm and the law firm gets paid but does not remit back to the agency, they can make a claim on the law list bond. The bonding service protects agencies from law firm theft. So, anybody who is sending claims out should know that we're providing this layer of protection for them."

Unfortunately, the triadic system breaks down if creditors bypass the agencies and go straight to an attorney or

agencies skip the law list when looking for an attorney.

McConville said that one of the biggest issues from a practice standpoint is rate undercutting.

"That's where you have an agency that goes out and tells its clients that they can sue for a rate that is much lower than the general norm within the triadic system," he said. "And then they'll come back to the attorney and they'll start trying to undercut the attorney. That creates a bad spirit within the triadic system."

McConville noted that by simply

following operative guides available through the Commercial Law League of America, as well as IACC's own code of ethics, members can adhere to the spirit of the triadic system and help the commercial collection market thrive.

"We want our members to know that we have their back, and we are making sure that we can guide them and give them the best advice to help them be a long-term, successful business," McConville said. "The triadic system is part of that." ■

"The triadic system allows for clients to get the benefit of three separate pieces of the collection industry that are working hand in hand to maximize their opportunity for collection."



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BARR Credit Services Announces the Acquisition of Commercial Claims

BARR Credit Services Inc. (BARR), headquartered in Tucson, Arizona, announced in November 2022 that it acquired Commercial Claims Inc. (CCI), a commercial debt collection agency located in Kansas City, Kansas. The acquisition of CCI will expand BARR's presence in international and domestic markets and increase its position as an industry leader.

BARR is a leading provider of commercial debt recovery and credit services. The acquisition of CCI fits into BARR's long-term strategy to expand their business into additional markets and grow their commercial credit services.

CCI was established in 1953 offering the credit executive fast and effective recovery of past due accounts. For 70 years, CCI has helped creditors by improving their cash flow and serving



over 400 commercial, industrial, and manufacturing clients.

“The acquisition of Commercial Claims Inc. advances our strategic goal to be the worldwide leader in our industry,” said Randy Frazee, CEO of BARR Credit Services. “This investment represents an opportunity for BARR to demonstrate to CCI's clients our commitment to them by offering updated accounts receivable solutions as well as global representation.”

About BARR Credit Services

BARR Credit Services, headquartered in Tucson, Arizona, is a results-oriented and customer-focused commercial credit and collection company that partners with clients to provide account receivable solutions around the globe. ■



IS YOUR COMPANY NEWSWORTHY?

IACC loves to share news about our members!

- Have you hired a new executive?
- Opened a new call center?
- Become certified or won an award?
- Participated in a community fundraiser?

We'll help you tell the world—or at least the IACC world! Send news submissions to iacc@commercialcollector.com to let us know you'd like it to be published in the next issue!

Serving Our International Members

By Jassim Darwish

IACC's International Committee works to create opportunities for members outside of the U.S. to help them grow their businesses.

The International Committee is a member-led group, made up of people who understand the real struggles and needs of our international members.

The committee meets on a monthly basis to:

- Catch up on the latest issues regarding international credit and collections.
- Discuss the latest market trends to prepare the members for what's coming and how to face each situation.
- Create educational programs for members during the calendar year.
- Prepare for and lead an education session during IACC's annual and midyear conferences.



- Set up exclusive meetings for international members.

The committee has introduced a new open forum to reoccur on a quarterly basis: twice during IACC in-person events and twice virtually. This gives the international members a chance to meet, network and discuss the latest market trends, market forecasting and the commercial collection hot topics.

The committee invites all IACC international members to a special International Reception during the IACC 2023 Annual Convention in Miami, Jan. 18-20. Join us to make connections and learn how to advance your business. ■



Join Our IACC LinkedIn Group

Keep the virtual conversations going with IACC's private [LinkedIn](#) page. Join now to connect with your fellow members!

This members-only group empowers you to network, get answers to your questions and find helpful resources from other collection professionals.

U.S. Banks Tighten Lending Standards

More U.S. banks are tightening terms on loans for businesses, commercial real estate and households, according to a new Federal Reserve System survey of lending officers.

“The tightening in standards by senior loan officers goes part-and-parcel with significantly higher rates and a shrinking balance sheet by the Fed,” Joseph Lavorgna, chief U.S. economist for SMBC Nikko Securities America Inc., [told Bloomberg](#). “They’re basically self-reinforcing.”

Banks reported wider interest rate spreads on credit card loans and said they are increasing their focus on applicants meeting certain credit scoring thresholds. Specifically, the surveyed banks said that in the third quarter of 2022, they were less likely to approve credit card and auto loan applications for borrowers with FICO scores of 620 and 680 compared to the beginning of the year.



While banks may be clamping down on credit, consumers continue to clamor for it—at least when it comes to credit cards. The application rate for credit cards increased to 27.1% in October 2022, according to the [New York Federal Reserve](#), up from 26.5% last year.

“Looking ahead over the next 12 months, households anticipate they will be less likely to apply for an auto loan, mortgage, or mortgage refinance loan, but report a higher average likelihood of applying for a credit card or credit card limit increase,” [New York Fed researchers said in a press release](#).

The Fed reported that banks felt there is a 40% chance that a mild to moderate recession will occur within the next 12 months.

“If the U.S. economy falls into a recession, more than 80% of banks said they would ‘somewhat’ or ‘substantially’ tighten lending standards for credit cards and loans backed by commercial real estate,” [American Banker reports](#). “More than 70% of banks said they would do the same for auto, commercial and industrial and residential real estate loans.” ■



2023 IACC Mid-Year Conference

Save the Date!

July 24-26th, 2023
Hilton • Chicago, IL

Join IACC in the Windy City, Chicago, IL, beyond the city's iconic food, music and architecture Chicago is also known for its rich history and vibrant culture. There's something for everyone in the classic city and IACC looks forward to hosting our intimate Mid-Year Collections Conference July 24th- 26th, 2023.

More details available soon at www.commercialcollector.com/events



What is the Emerging Leader Program?

The Emerging Leader Program is a leadership development group for both associate and agency collection professionals that are early-career-minded. The program is designed to identify and build skills for future leaders in our member companies and for the

association by targeting different topics of growth within an organization, training concerns and teaching how to help build your career as a leader.

The program supports open forums and a platform for emerging leaders to build educational content for members.

It also supports two annual awards and helps identify potential future committee and Board of Director members for IACC.

If you are interested in joining the Emerging Leader program for 2023, please email iacc@commercialcollector.com. ■

Upcoming IACC Events and Education

Jan. 18-20 2023 IACC Annual Convention

Royal Palm South Beach Miami

March 16 Skiptracing/Cybertacking in the 21st Century

11 a.m. CST

April 18 Collection Calls & Telephone Techniques - Part 1

11 a.m. CST

May 18 Collection Calls & Telephone Techniques - Part 2

11 a.m. CST

June 22 Credit Instruments: Properly Documenting Your Commercial Credit Transactions

11 a.m. CST

Sept. 19 Collection Laws and Bankruptcy Fundamentals

11 a.m. CST

Oct. 19 Client Relationships

11 a.m. CST

Nov. 14 Legal Aspects of Commercial Collection

11 a.m. CST

Additional topics and dates will be added. Please visit the IACC Events calendar for the current events and details: members.commercialcollector.com/events.





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IACC Promotion:

For IACC members we are waiving all start-up costs (including payment build costs) and cancellation costs, so you can try us risk free. We are also offering specialized pricing - we guarantee to beat your current vendors pricing!

If you would like some more information on our services or a quote please contact Dan.

Dan Cadesky

Dan@bcpartners-llc.com

Desk: 416-546-6571

Directory of Associate Members

When forwarding accounts, please use IACC's Associate (attorney) members!

Remember to let the Associate member know you are forwarding to them because they are IACC members so they will see the value in their membership with IACC.

- To find complete contact information, please visit the Member Directory on the IACC website at www.commercialcollector.com and click on the directory button on the top right hand side of the home page.
- When forwarding to Associate Member law firms, we recommend that you designate IACC and a Law List in your forwarding letter and notify the Law List designated. These actions will ensure your account is covered by the Law List's bond and let the associate member know it is



coming from a fellow IACC member. The Law Lists that are members of IACC include:

- > **American Lawyers Quarterly**
www.alqlist.com
- > **The Columbia Law List**
www.columbialist.com
- > **The Forwarders List of Attorneys**
www.forwarderslist.com

- > **General Bar Law Directory**
www.generalbar.com
- > **Wright Holmes Law List**
www.collectioncenter.com

If you have any questions, please do not hesitate to contact the IACC staff at iacc@commercialcollector.com.

IACC AFFINITY PARTNERS

The IACC Board and Affinity Committee have been working diligently to provide members additional benefits to their IACC membership through the Affinity Program. Each of these partners offers discounts exclusive to IACC members. For more information on a specific partner, visit the IACC website at www.commercialcollector.com.

If you have any questions about the Affinity Program, contact IACC at iacc@commercialcollector.com or (800) 859-9526. Please continue to watch your email for more Affinity partners!



OptilinguaINTERNATIONAL

Alphatrad provides documentation translation and telephone interpretation services.



Applied Innovation offers a suite of software solutions specifically for the collection industry.



Bridge Capital Partners provides payment processing services.

Collectors Insurance Agency

IACC members have access to industry leading E&O coverage, business package insurance, bonds and licensing services through Collectors Insurance Agency.



Polaris Assessment Systems, Inc. helps organizational leaders make smart decisions about the people they hire.



TCN is a cloud-based, multi-faceted telephony solution for all sizes of commercial collection agencies.



United Field Chase is a national field services provider, assisting businesses to make informed decisions.