

UNITED TRUSTEE SERVICES



Trends and Fundamentals of Collections
Bay Area Property Services 10-22-2016

COLLECTION TRENDS...

- Equity, Equity, Equity,
- Property Values Up
- Collection Risk Factors
- HOA Foreclosures on the Rise
- How Payments are Applied by the Collection Company (*Civil Code 5655*)
- *All payments made by an owner must first be applied to the assessments owed.*
- Bankruptcies Filings Remain Steady
- Class Action Lawsuit in our Industry, Homeowners are Pushing Back, Using Social Media
- Boards are Following their Delinquent Assessment Collection Policy
- Management Late Letters- Helps the Process and is Good Collection Practice

COLLECTION TRENDS...

Fair Debt Collection Practices Act (*FDCPA*)

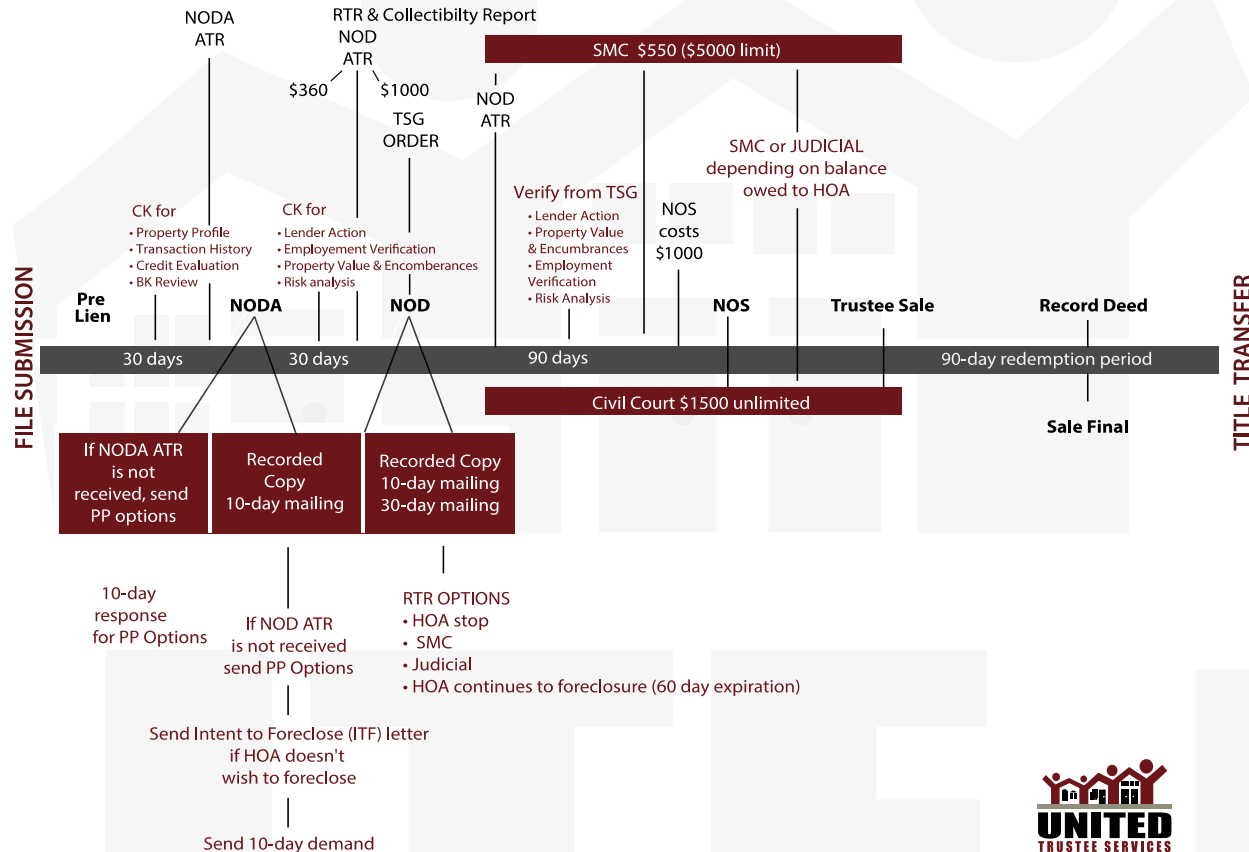
FDCPA Applies to Assessments. Associations that hire third parties to collect delinquent assessments, such as lawyers, collection companies, and management companies, are governed by the FDCPA. In *Thies v. Law Offices of William A. Wyman* (SD Cal 1997) 969 F.Supp. 604, the court held that homeowner association assessments fall under the Fair Debt Collection Practices

The Statement. FDCPA Prohibits debt collectors from making false or misleading representations and from engaging in abusive and unfair practices in the collection of consumer debt. Violations of the Act can result in fines and damages against the association plus attorneys' fees.

Boards of Directors. Even though they have more flexibility, boards should avoid personally getting involved in collection activities

THE LIEN PROCESS...

UTS Collection Process...What Makes UTS Different!



HOA Foreclosure: What to Consider?

New Buyer and Protect the Associations Interest

- Lien Priority- First in Time, First in Line
- HOA Foreclosure- Equity Proceed with Board Approval
- HOA Foreclosure- No Equity Personal Obligation, Judicial Action
- California One Action State, Make your Action Count!

Pitfalls: Liability, Make sure your Collection Company knows what they are doing!!!

Complete a Full Analysis before Moving Forward:

- Property Values
- Equity
- Encumbrances
- Bankruptcy Filings
- Lender Sale Date
- Vesting/Change in Ownership/Clouded Title
- Credit/Assets/Employment Verification

Lender Foreclosure: What to Consider?

- Lender Foreclosures are on the Rise
- Lender 1# Priority Position: All Liens are Extinguished in a Lender Foreclosure with the Only Option, Personal Obligation
- Property Values: Property Taxes, Federal & State Liens
- Equity: Claim for Surplus Funds
- Unlimited Civil Court or Small Claims Court

UTS LEADER IN FULL SERVICE COLLECTIONS

UTS follows the Collection Process Where Ever it Goes... Lien thru Foreclosure, Personal Obligation, Small Claims Court or Unlimited Civil Court, Each Case is Unique and we Address Each Case Individually





JUDICIAL SERVICES: SMALL CLAIMS COURT AND UNLIMITED CIVIL COURT ACTIONS

UTS Represents your Association in the following ways:

- ✓ UTS Court Representation
- ✓ ID Search
- ✓ Asset Verification
- ✓ Employee and HR Verification
- ✓ Credit Review
- ✓ Skip Tracing
- ✓ Personal Service of Court
Summons & Foreclosure Docs
- ✓ Collaborative Negotiations of Debt
- ✓ Lender/Loss Mitigation Review
- ✓ Military Search
- ✓ Case Updates by Email
- ✓ Filings and Recordings
- ✓ Examination of Finance (OEX)
- ✓ Wage Garnishments
- ✓ Bank Levy's
- ✓ Post Judgment Recordation & Enforcement
- ✓ Writ of Execution
- ✓ Motions & Appeals
- ✓ Bankruptcy Monitoring
- ✓ Proof of Claim

Thank you for your time today. UTS Provides... Great Results and Creative Solutions.

Leader in a Full Range of Collection Services for over 10 years

UTS Lifetime Collection Rate is 92.7%

Personal Obligation Services

Collectability Rating Report

Qualifying Cases with Contingency Options

Judicial Services, SMC, Unlimited Civil Court

Flexible Pricing Options



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