

Proactive Communication to Reduce Consumer Debt Collection Risk in Service Ownership Transfer (SOT)

1

Customer



- A Residential Mortgage Servicer

2

Business Challenge



- Examiner reviews indicating that one or more debt collectors had failed to send the validation notice within five days of the initial communication to the consumer regarding collection of the debt

3

Business Impact



- Failure to provide the notice in a timely manner prevents consumer's from raising any concerns and to dispute incorrect/ invalid debt owed on the account

4

Solution and Execution



- The Copasys® solution:
1. Highlights loans transferred by a prior servicer and helps validate that requirements were completed
 2. Highlights consumers with active initial debt collection notices and prompts the auditor to ensure debt validation notices were sent within the stipulated timeframe and with appropriate information required

Audit result is published as 'Compliant' when the notice is provided to the consumers within required timeframe with appropriate information and 'Non-compliant' when notices are not provided at all or when the notices are provided after the required timeline

5

Business Value



Initiating certain SOT and collection related rules along with effective remediation activities helps:

Significantly reduce the consumers' risk of inappropriate and/ or invalid debt collection practices