

# TACS Collections Process

Fall 2024 Client Training Sessions

# Agenda

## In the Beginning

We will discuss the type of debt that is collected and the beginning of the collections process with letters and calls.

## Skip Tracing

We will discuss the resources we use to obtain addresses and phone numbers

## All To Do With Payments

Discussion of Payment Plans, Promise to Pay and the vendors we use to process payments.

## DMV Stops

A Discussion of our DMV stop process and the when and why you will receive an email.

## Liens

Exploring what types of liens can be issued and how they are such a great tool for tax collections.

## Consumer Debt

Understanding how we collect Consumer Debt and learning about FDCPA.



# Introduction

## 01

### **Collections**

- Personal property
  - Real estate
  - General account information
- 

## 02

### **Pre-lit/Legal**

- Real estate tax sale
  - Court
  - Summonses
- 

## 03

### **Liens**

- Lien sources
- Issues liens
- Answers inquiries

## 04

### **FDCPA**

- Manages all consumer debt
  - Utilities
  - Solid waste accounts
- 

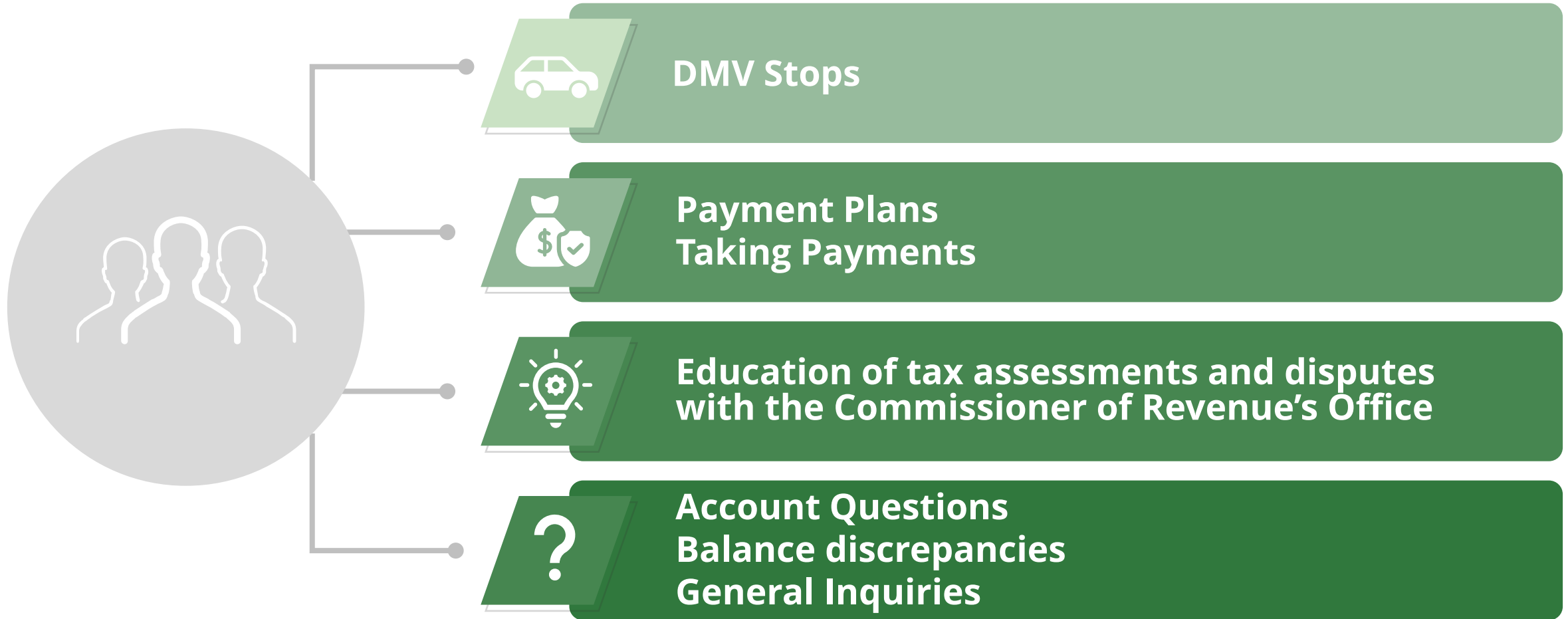
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### **Trust taxes, BPOL, BPP**

- Specialized team for handling more complex accounts.
-

# Collections

The collection group receives inbound and makes outbound calls on accounts



# Trust Tax, Business License, Business Personal Property

These types of tax are worked by our START Group. What is START?

**S** Situational

**T** Task

**A** Assessment

**R** Review

**T** Team



## Business Accounts

Handles more complex accounts that require additional research and documentation.



## Responsible Officers

Looks for responsible officers where trust taxes are involved. Provides documentation and recommendations to clients about who and how to charge a responsible officer.



## Mergers and Acquisitions

Researches past merger information to determine responsible entity that remains.



## Liquidated Businesses

Researches business liquidation or auctions to trace assets when sold, transferred or auctioned.

# Pre-Litigation/Legal

Specialized team within our Collections group handling calls that are in the early stages of litigation for real estate or legal actions on accounts.



## Real Estate Litigation

Accounts have been advertised for suit, 3965 notices have been sent or we have just filed suit on the property.



## Other Litigation

Calls involving summonses or other litigation where we have filed suit against an account holder (utilities, personal property, zoning violations, etc.)



# Liens

Specialized team within our Collections group



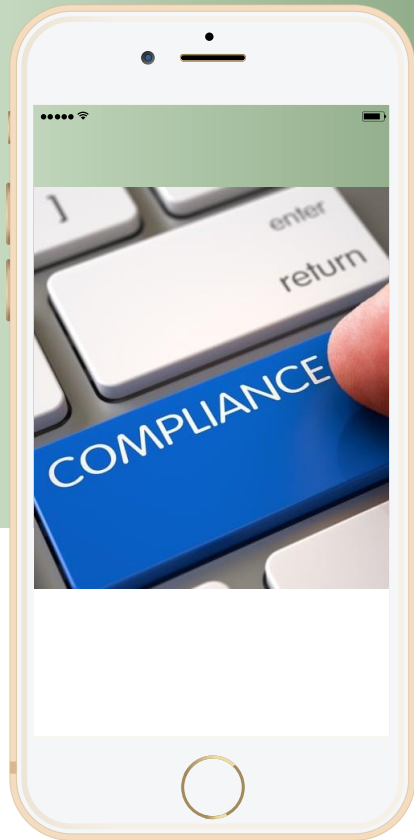
The Liens group has a dual role. They are staffed with Specialists who are responsible to research and issue liens, and they have staff who handle all inbound calls that are specific to the liens that have been issued.

In addition, this group handles outbound calls to employers and banks to ensure funds will be held or that the lien was received to obtain funds.

There is an administration group that handles all incoming correspondence such as lien responses as well as they handle any adjusted liens. We will do adjustments based on Commissioner adjustments or other types.

# FDCPA/FINES

Specialized team within our Collections group handling consumer debt collections (FDCPA) and fines levied by localities.



## Fair Debt Collection Practices Act – Consumer Debts

Household debts are covered by the FDCPA when those accounts are turned over to a third party (TACS).

The FDCPA requires specific disclaimers and requires validation of the debt if requested by the account holder.



Mini-Miranda



Careful Communication



Validation



Payment



# **In The Beginning**



# Letters and Calls

Our collections process really begins with communication with the account holder.

01

## Letters

Upon accounts being loaded and verified, first notices will be mailed on the accounts giving account holders 30 days to pay. Upon non-payment/noncommunication, we will send a second (stronger worded) letter giving the account holder 20 days to pay. Certain account types have special letters (utilities/solid waste)

02

## Calls-Emails-Chats

We will begin calling after the second letters have expired. Phone numbers are obtained from a variety of sources and are used in our outbound dialler. Inbound emails and chats are routed to the appropriate collections group and delivered to collectors to respond. If we have emails on file for accounts, we will utilize that information for outbound emails to account holders.

03

## Inbound Communications

Generally, our letters are the impetus for account holder action and generate the bulk of the inbound phone traffic. We leverage software allowing for omni-channel communications to ensure that we can manage the traffic of the calls no matter how many letters are sent.



# Skip Tracing

Returned letter process



## Returned Mail

Letters are barcoded for ease of scans through envelope creating a returned mail listing that is loaded into our collection software.



## Finding Addresses

We leverage several tools for locating new addresses. Each of these use different datasets and costs vary, so a waterfall process is employed.



## New Hit

Once an updated address is located, our bad address flag is lifted, and letters are generated to the new address.



## More Returns?

If the new address is returned, the process will flow to the next level of the waterfall. If no new information is available, we will look for assets.

# Skip Tracing Tools

There are several online tools available to locate new addresses. These are some of them we utilize.



## **CLEAR & TLO**

Thompson Reuters product utilized by many law enforcement agencies to locate near real time contact information. TLO is a Transunion product that utilizes credit applications, among other sources, to maintain current contact info.



## **Internet Searches**

Google, LinkedIn, etc., are excellent free tools to find contact information.



## **DMV-SCC-UCC-SBA**

Used for businesses and individuals to find better contact information, business partners, possible lienholders or potential banking information.



## **Automation**

We are beginning to use automation in performing many of these tasks. This will only increase with the adoption of AI.

# Making Paying Easy

We try to simplify the payment process.



## Credit/Debit/E-check

All of these methods are available online. We use ACI and PayNearMe as our portal vendors. Credit cards usually add 3% while e-checks are \$3.00 (ACI increases this to \$15.00 over \$15k).



## Mail

Payments can be made the old-fashioned way through mail to our office. We ask that checks be made payable to the locality for deposit into our trust account.



## Wires/ACH

We also accept wires and ach transactions. Inbound payments are directed to a sweep account that transitions the funds to our main trust account overnight for security purposes.

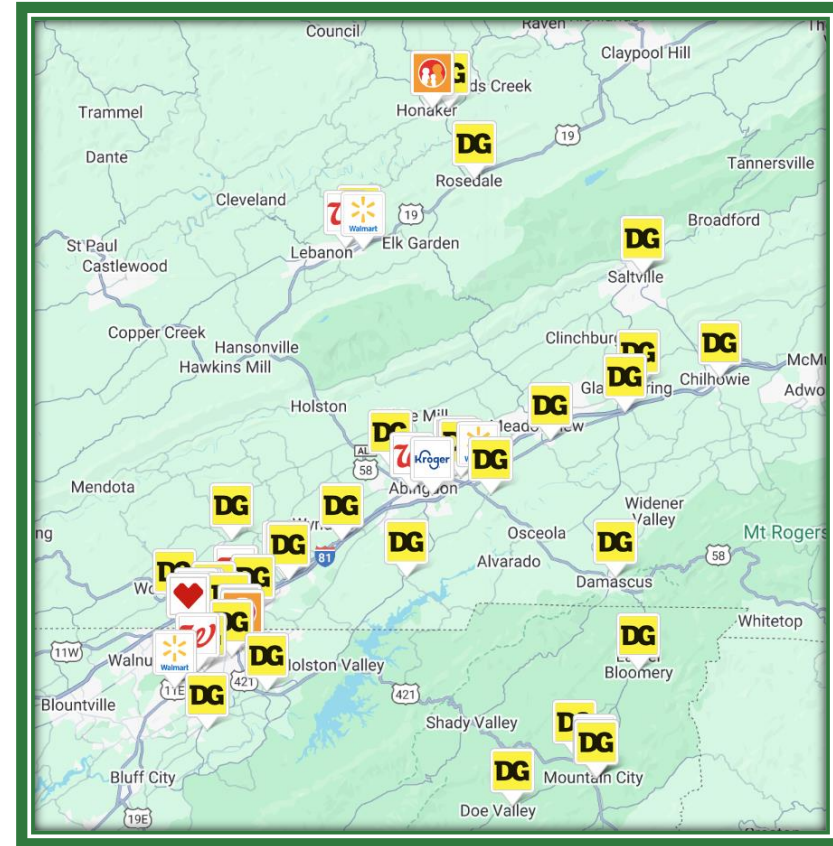


# Making Payments Easy

PayNearMe allows account holders to make cash payments at any CVS, Family Dollar, Dollar General, Walmart, Walgreens, or Kroger.

TACS can text a barcode to the account holder's cell for them to present at the counter. Payments are electronically remitted to TACS with the appropriate account information.

Limited to \$2,900 per day. Each transaction costs \$3.99 and can only be made in \$1,000 increments.



1

Paying in cash?



2

Send a barcode



3

Payment sent/received

# Tracking Payments

### Payment Counts by Type

Type	Count
Debit	4,666
ACH	1,715
Credit Card	810
Mobile Slip	52
Digit Slip	9
Payment Code	2
Mobile Wallet	2
<b>Totals</b>	<b>7,256</b>

### Payment Amounts by Type

Type	Amount
Debit	\$1,731,745.66
ACH	\$1,568,049.24
Credit Card	\$537,405.12
Mobile Slip	\$27,804.60
Digit Slip	\$4,809.68
Payment Code	\$2,007.98
Mobile Wallet	\$522.98
<b>Totals</b>	<b>\$3,872,345.26</b>

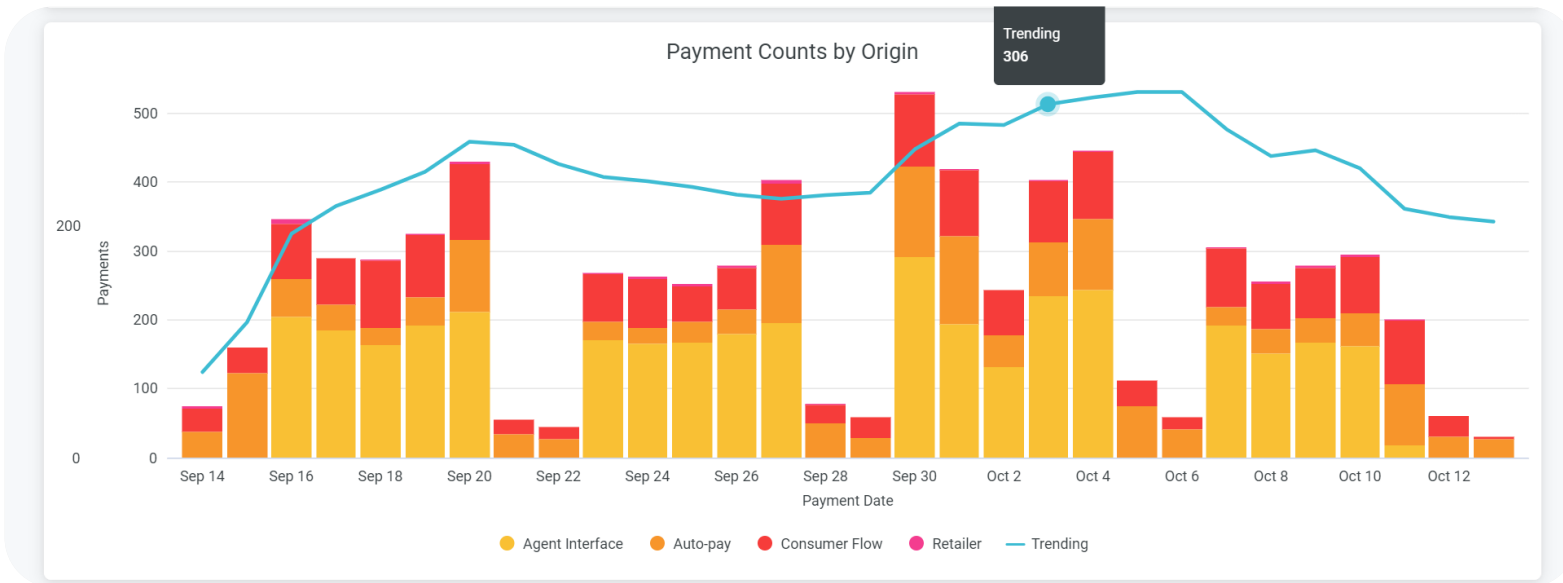
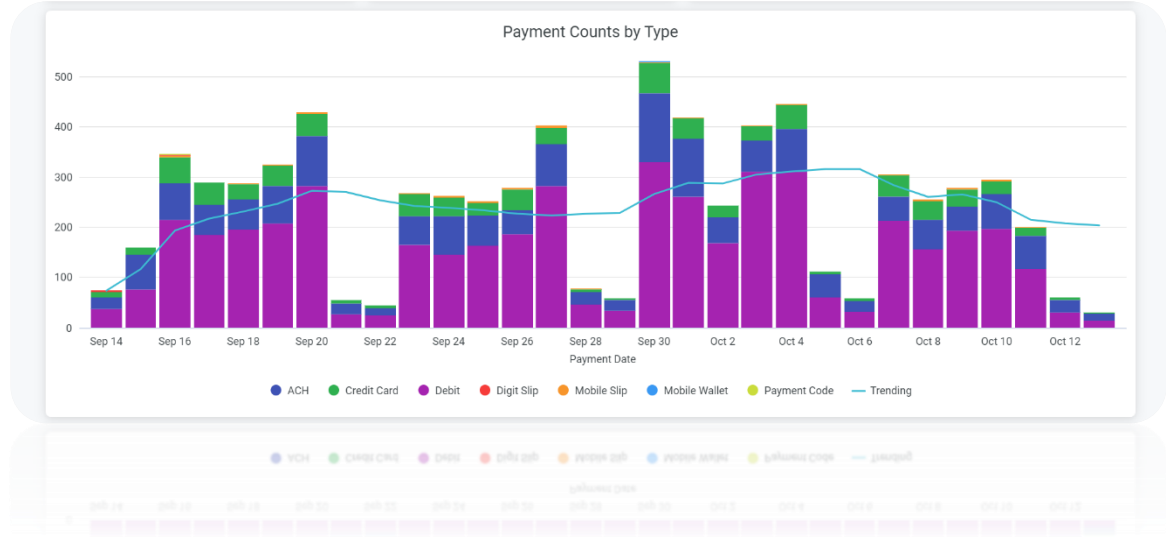
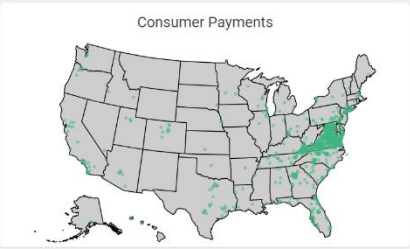


### Payment Counts by Origin

Origin	Count
Agent Interface	3,618
Consumer Flow	1,889
Auto-pay	1,684
Retailer	65
<b>Totals</b>	<b>7,256</b>

### Payment Amounts by Origin

Origin	Amount
Agent interface	\$2,217,316.55
Consumer Flow	\$1,270,341.86
Auto-pay	\$349,541.61
Retailer	\$35,145.24
<b>Totals</b>	<b>\$3,872,345.26</b>

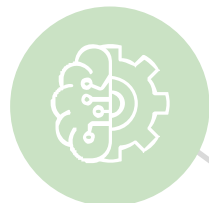


# Promise to Pay vs. Payment Plans

## Promise to Pay

### No Downpayment

Often a barrier to entering into a payment plan.



### Frequency

They advise what they can pay and must pay every 30 days



### Collection Continues

We advise this is not a formal payment plan and collection actions may continue.



### Advantages

Gets some payments coming in on accounts and allows a communication line to the account holder (and maybe a lien source)

## Payment Plan Guidelines

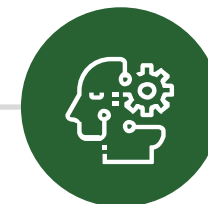
### Downpayments

25-50% of the balance of account as a first payment.



### Term

6-15 months depending on the balance and account type.



### Advantages

Most likely to complete payment plans. If not, we may have acquired a lien source.



### Hold on Collections

We will cease additional collection actions so long as plan terms are observed





# DMV STOPS

# DMV Stops

How do these work in conjunction with TACS



## What are DMV Stops

Per the Code of Virginia, 46.2-752(J) DMV stops can be placed if the following is owed:

- Taxes
- Parking Citations
- Toll Violations
- Other fees

If needed, the taxpayer can ask for a on-time, one-month registration in which they go directly into a service center, or a DMV select office and request this option which there is a fee.



## How TACS Handles Stops

- We will ask them to pay with Credit/Debit card. We will take e-checks, but it will be up to you if you want to remove the stop at that moment.
- We will payout all debt under all names and socials. If there is a co-owner tied with the owner, we will take funds for both to satisfy the debt and the stop.



## Emails to Client

- After the payment is taken, we will email the locality and copy the taxpayer on the email.
- We advise it could take 24-48 before the stop is removed.
- We also advise if there are taxes owed that are not with TACS, they will need to be satisfied with the locality before the stop is removed.

# DMV Emails



## Payment Taken on DMV Stop

Payments are not remitted until clearing our account (10 days)



## Customer is at DMV

They will not wait for the funds to be remitted to clear the balances, so we must let our clients know to release the stop.



## Information Exchange

We send all customer and payment information to the locality along with the customer contact phone number in the event additional information is needed.

- TAXPAYER'S NAME: EILEEN L SIMS
- Co-owner's Name: GRAHAM T PAIGE
- TACS#: 140119
- Locality Account number: 313711
- paid \$ 202.50 via payment type DEBIT
- Paid in Full Date: 2/26/2020
- Previous Payments not remitted: N
- **Confirmation Number:** 472520473289
- **Years Paid:** 2018 -2019
- **Remaining Balance:** \$0.00(paid in full)
- **Locality Account and Bill Numbers:**

Name/Name2	Account number	Type	Entered date	Balance	Status	Reference 1	Reference 2
			8/20/2019	\$112.50	Active	18-313711-3261847	313711
			11/26/2019	\$30.00	Active	19-313711-3511722	313711
			11/26/2019	\$30.00	Active	19-313711-3511723	313711
			2/19/2020	\$30.00	Active	19-313711-3651793	313711

- **DMV STOP PAID:** Yes, \$ 60.00
- **Taxpayer's phone number:** (434) 123-4567

# Lien Types

No one wants to force collections, but noncompliant accounts must be remedied for our clients.

01

## Bank Liens

Levies on a bank account.  
Bank must have nexus to Virginia

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02

## Employer Liens

Levies on unpaid wages of the account holder. Taxes can be 100% of pay. Non-tax debt is limited to 25% of disposable earnings.

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03

## Accounts Receivables

Levies on unpaid accounts from a business to satisfy the tax debt.

04

## Tenant Liens

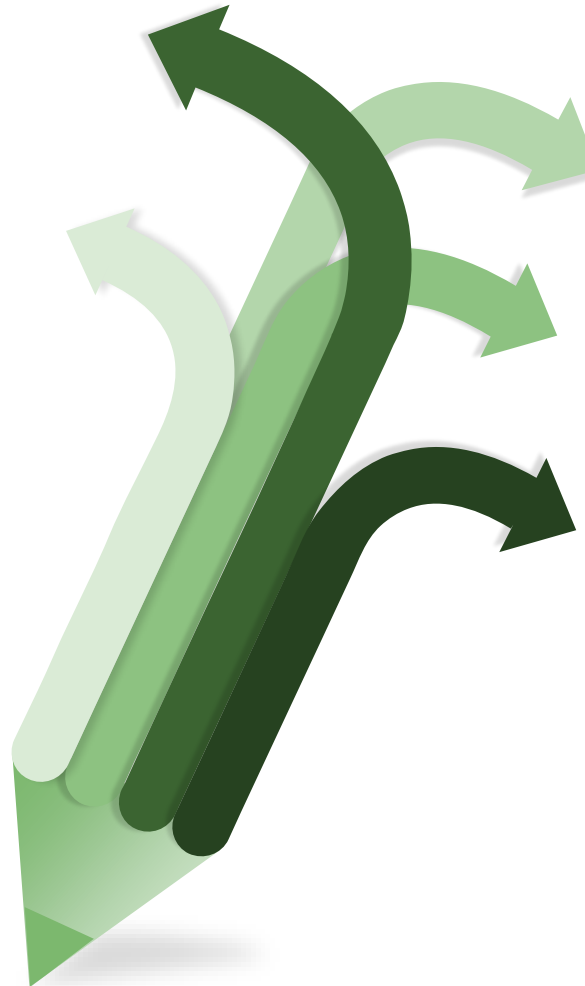
Authorizes a tenant to pay us rather than the delinquent account holder. The tenant by law gets credit with the landlord for any amounts paid.  
-Zillow  
-Utility systems

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## How to Get Lien Info

Simplest method is to ask questions when speaking with the account holder. Most people are willing to disclose a good deal of information if you just let them talk about themselves.





# Consumer Debt and THE LAW

# Type of Debt Matters

Fair Debt Collection Practices Act - FDCPA



## Federal Law

Requires certain disclosures and practices be followed.

- Calls only between 8am-8pm
- Disclosures on letter/dispute provisions
- Minimiranda requirements



## Applies to TACS

TACS is a third-party collector. As such we are bound by the FDCPA for any consumer debts. Note that taxes are not consumer debts. Think utilities or trash collection



## All Communication Must Comply

Whether spoken or written, all communication must comply with the law. Disputes are often made by the account holder, and we must verify the debt with the client.



## Noncompliance with FDCPA

Strict liability is established. Most complaints end up being a class action lawsuit. Law provides for plaintiff attorney fees.

# FDCPA Letter Examples

Taxing Authority Consulting Services, P.C.  
P.O. Box 31800  
Henrico, VA 23294-1800  
(804) 548-4422 Fax (804) 440-1171  
[Bills@taxva.com](mailto:Bills@taxva.com)

To: |  
Pelham NC 27311-8631

Reference: 721461

**Taxing Authority Consulting Services, P.C. is a debt collector.** We are trying to collect a debt that you owe to Pittsylvania County Treasurer. We will use any information you give us to help collect the debt.

## Our information shows:

As of April 15, 2022, you owed:		\$1019.44
Between April 15, 2022 and today:		
You were charged this amount in interest:	+	\$129.31
You were charged this amount in fees:	+	\$228.06
You paid or were credited this amount toward the debt:	-	\$ .00
<b>Total amount of the debt now:</b>		<b>\$1376.81</b>

## How can you dispute the debt?

- **Call or write to us by May 15, 2022, to dispute all or part of the debt.** If you do not, we will assume that our information is correct.
- **If you write to us by May 15, 2022,** we must stop collection on any amount you dispute until we send you information that shows you owe the debt. You may also include supporting documents. We accept disputes electronically at [bills@taxva.com](mailto:bills@taxva.com).

## What else can you do?

- **Write to ask for the name and address of the original creditor, if different from the current creditor.** If you write by May 15, 2022, we must stop collection until we send you that information. You may use the form below or write to us without the form. We accept such requests electronically at [bills@taxva.com](mailto:bills@taxva.com)
- **Go to [www.cfpb.gov/debt-collection](http://www.cfpb.gov/debt-collection) to learn more about your rights under the federal law.** For instance, you have the right to stop or limit how we contact you.
- Contact us about your payment options.



Taxing Authority Consulting Services, P.C.

PO Box 31800  
Henrico, VA 23294-1800  
(804) 548-4422 • Fax (804) 440-1171  
[bills@taxva.com](mailto:bills@taxva.com)

Re: «Insert1»; TACS#: «Insert2»  
Balance Due: \$«Insert3» (including collection fee of 20% per ordinance)

Approved

*Gary M. Sabeau*

## FINAL NOTICE

**THIS COMMUNICATION IS FROM A DEBT COLLECTOR, AND IS TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE**

Your delinquent account with the «Insert1» has been referred to this office for collection. The total amount due on this account is \$«Insert3». Since you have failed to respond to our initial communication, this debt is deemed to be valid.

This debt is due and payable immediately and we will continue to take necessary actions to collect this obligation.

Please remit payment to us using the address below. You may make a payment online using a credit card or e-check at <http://pay.taxva.com> using TACS# «Insert2» (a convenience fee will apply).

If you have any questions, or wish to make payment arrangements you may contact our office at (804) 548-4422.

# Customer Disputing Debt

Steps for when you receive a dispute.



“I am disputing this debt.  
**Cease and desist all  
communication.”**

01

## Receive Dispute

The dispute can be verbal or written. We note the account and cease all collections until we receive confirmation of debt validation.

02

## Communicate with Client

We need written verification that the debt is still due. This will be important if the account holder sues for any perceived FDCPA violation.

03

## Verify with the account holder

We communicate the verification of debt to the account holder and provide options for paying the account.

04

## Continued Noncompliance

After observing the strictures of the law, we can once again begin our collection actions. Note that a new address requires us to start the process over again.



# Verification of the Debt

What is required?



## Examples of Information to Provide

- Email stating the bill remains due
- Provide copies of the bills
- Copies of signed contracts



## Timeframe for Verifying

The law requires us to verify the debt with the consumer within 5 days. Failure to do so may result in TACS being sued for noncompliance.

**THIS IS VERY IMPORTANT**



## What Is Provided to the Account Holder

We simply notify the account holder that the debt has been verified and validated. We do not provide copies of client communications or copies of bills or other information provided. Remember that correspondence may be discoverable in any lawsuit, so be professional in your communications.

# What can we do?

## 01

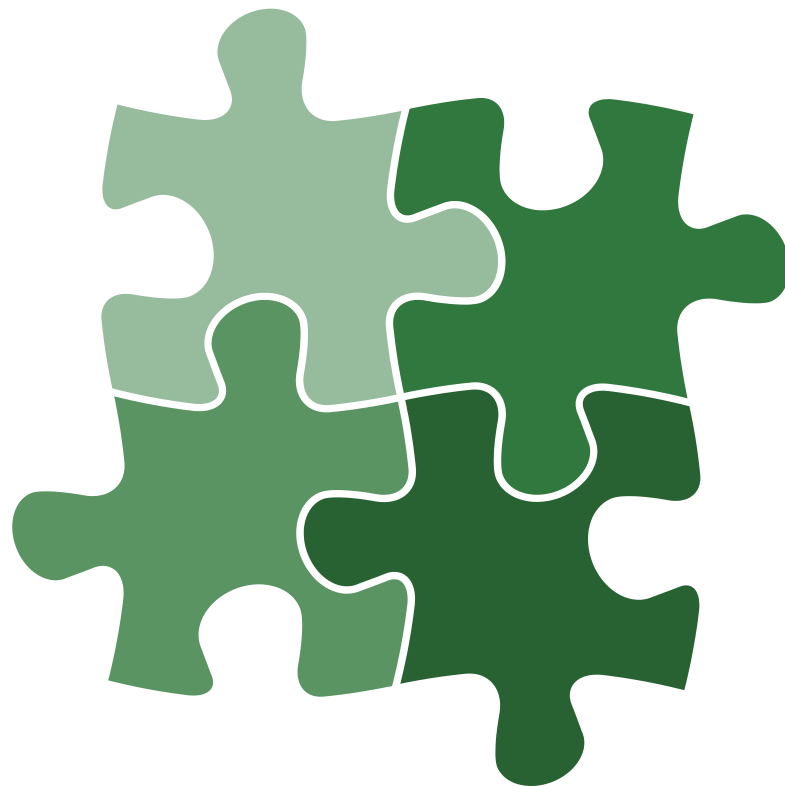
### Stop Collections Actions

FDCPA requires all communications stop.

## 02

### Verification of Debt

We can continue as normal even if they've demanded we cease.



## 03

### Liens!!!!

If the account holder does not pay, we will help them pay - **involuntarily**.

## 04

### Litigation

Litigation is always an option. Even if we are unable to verify the debt, we can still sue since the FTC has ruled that court summonses are not communication with the debtor.

# Other Nontax Fees

Non consumer debt obligations



## What are these?

Obligations due the client that are not consumer debts but are not taxes either. These may be zoning violations, nuisance abatement charges, permitting/inspection fees, etc.



## Non consumer Debt

Not under FDCPA  
Does not require validation.



## Collection Process

- Send two letters
- Skip trace and call account holder
- Employer lien – limited to 25%
- Bank lien
- Legal actions



# A One-Stop Collection Solution

What TACS can do for your locality?



## Strategic Partner

We strive to serve our clients with the focus on results in account collections, but client betterment as a whole



## Complete Collections

We collect many types of accounts for various local governments. Ask how we can help your office.



## Monitor Results

Review your reports and let us know of any questions. Remember consistent collections is a factor of account turnover



## Keep in Touch

We try to make interoffice communications easy through our supervisor chats, email and client portals



## Talk About Us

We do not advertise and base our success on what our clients have to say. We have a vested interest in exceeding your expectations.

tacs

TAXING AUTHORITY  
CONSULTING SERVICES, P.C.

GET IN  
TOUCH

Taxing Authority  
Consulting Services, PC  
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Henrico, Virginia 23294

CALL: 804.545.2500

Email: [questions@taxva.com](mailto:questions@taxva.com)