

Today's Genuine Consumer Experience Builds Loyalty for Tomorrow

Best Practices for Managing Delinquency in Uncertain Times

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Now more than ever, the financial institution philosophy of “people helping people” is critical to maintaining consumer loyalty and trust in their biggest time of need. While the COVID-19 pandemic has left us all experiencing disruption and uncertainty, financial institutions are in a unique position to provide consumers with financial reassurance and support in navigating our new reality.

By employing some of these best practices for successful delinquency management, you can help your financial institution build strong consumer relationships, both during this crisis and in the long term.

Prepare an Action Plan

Financial institutions must first develop a crisis management strategy or response plan. Financial institution leaders should begin by asking themselves the following questions:

- What will our approach be regarding fee reversals, payment deferrals, workout loans, etc.?
- How much risk are we willing to take?
- If we offer deferrals for payments, how many months should they be deferred?
- Are there other ways we can assist our consumers?
- What regulations are we concerned with?

Maintain Effective Consumer Communication

Reinforce to consumers that your financial institution is a trusted resource throughout this crisis by frequently providing helpful information and important updates that are easily accessible and digestible. Create a dedicated support page on your website and utilize all of your financial institution's communication channels (including email, social media, text messaging, push notifications, etc.) to direct your consumers to learn about available relief programs and ways they can request help.

When creating and implementing your external communications plan, consider various audiences and their relationship with your organization to tailor your information, as well as any compliance requirements.

Additionally, be proactive in offering financial counseling services to your consumers and contact those who may be heading into delinquency. Be clear about financial options that are available to them. When speaking with consumers over the phone, ask your staff to open conversations with, “How can we help you get through this?” and not “Here's what we've got.” Actively listen to what they say, empathize with their concerns and communicate a plan based on the information provided. Showing your gratitude and appreciation for their loyalty and trust can also go a long way.

Now is the time for strong leadership, with less focus on process-driven decision-making by committee. Considering the unique circumstances, financial institutions should make their C-level executives accessible to everyone – including customers, clients, and consumers.

Leverage Vendor Relationships

Reach out to your vendor partners to inquire about any hardship extension programs your financial institution could implement at this time, including system settings, fee waivers, etc. Explore ways in which you can work together with your partners to assist your financial institution and consumers.

Extraordinary times call for extraordinary measures, and your consumers are counting on your financial institution more than usual. By delivering a high level of personal service and care, you can help ease your consumers' financial strain and nurture thriving relationships into the future.

TriVerity, has worked with over 2700 financial institutions nationwide as a full-service collection agency, providing delinquency management services and collections training exclusively for financial institutions. The Loan Service Center provides first-party collection services to minimize loan loss by managing early-stage delinquency. The Collection Academy offers a curriculum of collection processes with tools that will be effective in your collection department. For more information: www.triverity.com