

GET

PAID

Proven strategies for collections,
sound billing practices and
the role of customer service.

FROM: TRL Appraisal Services
1540 S 2300 W, Suite J
Salt Lake City, UT 84111

86-3/1099 4088

TIM CRAIG
10199 JULIENNE CIRCLE
ARLINGTON, TX 76011

DATE 7/6/06

PAY TO THE ORDER OF TRL APPRAISALS

THREE HUNDRED FIFTY DOLLARS \$ 350.00

NSF

201)467-0150 Fax Number:

201)84106

201)898 9876 Fax Number: (201)898 9877

Email: dustin_s@quantclouding.com

PAST DUE

INVOICE

| | |
|------------------|--------------|
| INVOICE NUMBER | 491670051001 |
| DATE | 4/23/05 |
| REFERENCE | |
| Internet Order # | 9843026521 |

ADAM CALRON
12501 EAST WILLOW DRIVE
MONTGOMERY, TX 77430

PAY TO THE ORDER OF TRL APPRAISALS

THREE HUNDRED FIFTY DOLLARS

NSF

JOSEPH TOLLIVER
33452 ALLENDALE STREET
DALLAS, TX 75201

PAY TO THE ORDER OF TRL APPRAISALS

THREE HUNDRED FIFTY DOLLARS

MEMO

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NSF

FREE E-BOOK

DESCRIPTION

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In today's changing market, you shouldn't have to worry about being paid for your services. Whether you're a one-person show or a large office, new to the business or well established, we guarantee this book will provide solid advice on billing practices and taking the hassle out of collecting fees. Our previous e-Book "Get More Appraisal Jobs in Any Market" was designed in part to help you acquire new non-lender business; this one was written to further ensure your success in today's changing marketplace.

TIP

Visit www.appraisermarketing.net

You'll find dozens of articles, webinars, videos, and more tips. You can submit your own ideas and the content is constantly updated. It's an invaluable source of the latest and most effective appraisal marketing strategies, put together by marketing experts and your fellow appraisers.

Visit www.alamode.com/resources

There, you'll find articles, videos, white papers and more on issues facing our industry from regulatory compliance, copyright protection for appraisal data, AVMs, and more.

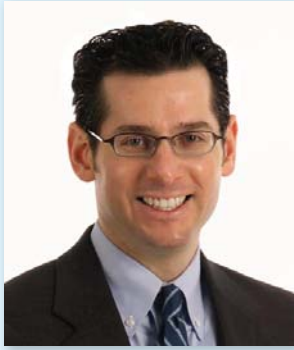
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Did you miss the last eBook?

Thousands of appraisers have downloaded our last eBook, "Get More Appraisal Jobs in Any Market." Learn how to get non-lender work and more effectively market your services.

Download the eBook at www.alamode.com/GetMoreAppraisalJobs



Matt Krodel
Product Manager

Since 1992, Matt has been filling a variety of roles at a la mode. Although he started as a programmer in the early days, he's spent most of his years managing our customer service department and has taught at 50+ a la mode seminars and conventions across the country. Matt has recently taken over product management for Appraiser XSites and is responsible for designing new features for this area of our products.

Matt lives in Oklahoma City with his wife and newborn daughter. In his spare time, Matt enjoys cooking, playing keyboards in his 80's cover band, and jogging at the lake.

Get Paid (on time)

Let's state the obvious: You became an appraiser so you could generate income. After all, you didn't spend countless hours in classes and years as an apprentice just to have a fulfilling hobby that benefits mankind with your analysis and value opinions! That being said, if you think about what you run as an "appraisal practice" it may be time to think of it more as an "appraisal business". And part of any good business is collecting payments for what you provide.

Why do so many appraisers have trouble with billing? Is it because many of us aren't wired to demand a payment like those who work on commission? Have the ethics of USPAP spilled over to our personalities so we assume everyone is ethical and will eventually pay their bills? Do our analytical nature and work practices make us reluctant to call on a bad debt? Are we afraid of ruining relations with what seems like a regular client by talking money? Did the long real estate boom keep cash flow from being a problem, thus making us lazy when it came to managing it? Most likely, it's a combination of all the above.

I think we can all agree that now, more than ever, we must be diligent about billing procedures. With the market changing, client lists are changing. Appraisers are dealing with more unknowns and things they can't necessarily control. So our focus is to help you understand that you can control how you manage your accounts. Billing, collection practices, payment policies, and customer service all contribute to getting paid, and these are all firmly in your control.

Why write such a book? **We have a goal that's more important than selling software today.** If we take care of our customers and the appraisal industry in general, we'll get more orders now and in the future. Naturally, we'll help connect the dots on HOW you can put these concepts into practice with WinTOTAL and Appraiser XSites. But frankly, billing was invented long before appraisal software, so most of the processes discussed here can be done without our products. (As a matter of fact, while writing this, I found some things we really should add to our products to improve their billing features!) As the leading appraisal software company, we have a vested interest in your success, even if you're not our customer yet.

Deal with the Present: Past Due Accounts

The joys of owning your own business can sometimes be offset by the unpleasant task of dealing with clients that can't or won't pay after you've delivered the goods. It only gets worse when an industry goes into a down cycle and your need for the money increases along with the number of clients that aren't paying their bills. So before we talk about what to do up front to minimize the likelihood of being stiffed, we're going to provide ideas for collecting on jobs you've already done.

Fortunately, collections tactics are similar for any type of business and a lot has been written on the subject. In addition to advice we're including here, definitely check out the web and book stores for further resources.

TIP

Consider having an assistant make your collection calls instead of doing them yourself

Somebody less connected to the actual assignments will be less likely to let emotion get into the conversation and will stick to the facts at hand. Likewise, the client won't be able to get into specifics about the assignment if the caller isn't the one who completed it.

PAST DUE INVOICES

We recently conducted a survey which revealed that more than 40% of our appraisal customers have 5 or more invoices over 60 days past due.

Seventy five percent of accounts are collected in the first 120 days. After that, your chances to collect go down significantly

See the Appendix for sample collections letters and ideas for writing your own.

NOTICES AND DEMAND LETTERS

Sending notices and demand letters is your first step to collecting a past due account. The sooner you send out a past due notice, the better your chances are of getting paid.

- First rule: log everything you do. You might need this evidence if you go to court or write off the bad debt on your taxes as a business loss.
- Use a combination of phone calls with demand letters, alternating weekly. With demand letters, always include an invoice detailing the items on the bill. When you call, make sure to have an invoice in front of you so you can talk about each item and immediately fax a copy if they can't find their own.
- On your first contacts, start off pleasant and give them the benefit of the doubt. Example: "Hi. I'm calling to make sure you didn't misplace the last invoice I sent." or "This is a reminder that you haven't sent payment for the appraisals I completed..." Subsequent contacts should be more firm, but always polite and professional.
- Be persistent and realize they may pay just to get you off their backs. The debtor may owe money to several people, so they are more likely to pay someone who isn't going to give up easily. Nothing says persistent like a personal visit, either.
- Never joke or laugh when communicating with a debtor because it lessens your seriousness and only sends a signal that you can be put off further.
- If you get a commitment that they are going to pay, nail down a solid date. Likewise, if they say the check is in the mail, ask for the check number.
- After multiple attempts, let them know your next step is to get a 3rd party involved by sending a letter to the applicable state board or regulating agency. If your client is an attorney, send it to the state bar. If your client is a mortgage broker, try your state's regulatory commission. These agencies can't make them pay, but the thought of tarnishing their reputation may make them act.

Example: "If this matter isn't resolved by the end of the month, I'm prepared to file a complaint with the state board. If more time goes by, this will end up at collections and on your credit report."

TIP

Be Yourself

This may sound obvious, but don't represent yourself as a third party when collecting your own debts. Federal laws govern these kinds of collections. Third parties have to comply with more regulations than companies collecting their own debts.

Private Process Servers

In most states, you can hire a private process server or the sheriff to serve the summons. Private process servers usually cost the same as the sheriff, and they're reputed to be more tenacious about serving documents. If given a choice, consider going with the private process server.

Partial Payments

Accepting a partial payment will hurt your chances in small claims court, should something go that far. Now, if you feel you will never collect a dime from that person, you may want take what you can get and weigh the costs of going to court (and your lost time in hassling with it) and then just cut your losses. But if you're owed a significant amount and you need to go to court, don't accept a partial payment before getting a judgement.

SMALL CLAIMS COURT

If your calls and letters are ineffective, your next step may be small claims court. The amount you can collect varies between states, but the maximum amount is usually less than \$5,000.

The judgment is judicial recognition that the defendant is indebted to the plaintiff for a particular sum of money. This may be helpful in cases where the client doesn't even think they should be paying you. (For example, even payments you were to collect from the occupant are generally the lender's responsibility.) You're never assured of actually receiving the money, however, since the judgment can only be enforced out of property belonging to the defendant.

The key to simplifying small claims court is to have all your information ready when you file:

- Debtor's name
- Current address — not a PO box as the physical address is needed to serve the defendant
- Amount of the claim
- Basis of the claim
- Funds to pay the filing fee and sheriff's fee

There may be different procedures and fees for an out of state defendant or if you're suing a corporation, so ask the court clerk when you go to file.

COLLECTION AGENCIES

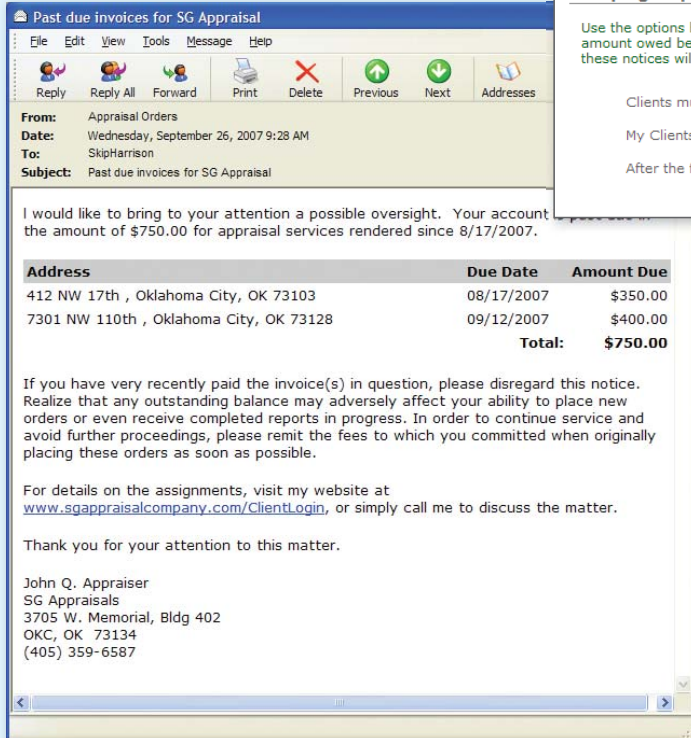
Collection agencies send out letters and make phone calls like we've recommended above. They can also report the debtor to credit bureaus. It's standard for a collection agency to take 30% to 50% of what they collect, but the remainder you get is better than nothing at all.

The best way to find a good collection agency is to ask other appraisers or small business owners. Find out who they use and if they've had good results. Make sure the agency not only collects the amount owed, but treats your clients with respect. If you can't find a collection agency through friends or associates, search for "small business collections" or "appraisal collections" on your favorite search engine.

The downside of working with a collection agency is that they might not prioritize your collections above other, higher-profit clients. Whether they were referred by a friend or you found them online, make collectors convince you they are going to work hard for you. Ask them if they regularly collect from clients like yours and what their rate of recovery is.

Send automatic “past due” e-mail notices

Rather than chasing clients down for past due payments or hiring an assistant to do it, let an Appraiser XSite and XSellerate do the work. They work together to automatically send professional e-mail reminders to clients based on your triggers such as how late they are, how much they owe, as well as how often a notice will be sent. You’re always in control. You’ll even get a message detailing which clients are about to get a “past due” message, in case you need to make changes.



Campaign Options

Use the options below to set the number of days an invoice must be past due and the minimum amount owed before a late payment notice is sent. You can also set the interval on how often these notices will be sent to clients.

Clients must be days past due before they'll receive their first notice.

My Clients must owe me at least \$ before a notice will be sent.

After the first notice, I will send another notice every days.

Set up your preferences one time and let us do the rest. Your XSite and XSellerate allow you to use our pre-written collection letters as-is or customize them to your liking.

Notice Setup | **Pending Notices** | Client History

Late Payment Notices: Pending Notices Powered by XSite

The people listed below will be receiving a late payment notice on the date provided in the Next Notice Date column. If you would like to remove them from this notice, click the "Remove" link next to the name you do not want to send a notice to. If you would like to re-add them for this notice at a later date, go to the Notice Setup tab and add them to the Selected Recipients list. If you would like to see a copy of the notification this person will receive click the date in the Next Notice Date column and the notification will be displayed in a popup.

| Remove From Campaign | Client Name | Total Due | Days Past Due | Next Notice Date |
|------------------------|-----------------|-----------|---------------|------------------|
| Remove | Merge Innovera | 375.00 | 1 | 11/11/2007 |
| Remove | Andy Zoff | 780.00 | 1 | 11/9/2007 |
| Remove | Justin Stephens | 1,100.00 | 1255 | 11/9/2007 |

You receive a report letting you know who will be receiving late notices in case you need to pull a client out of that batch. You're always in control.

Sound Billing Practices

WinTOTAL's invoices and your XSite

WinTOTAL invoices can be automatically transferred to your XSite where they can be tracked with reporting tools and be part of the past due notices mentioned on [page 2](#).

Visit <http://help.alamode.com/wt-x-site> to see a tutorial video illustrating the entire process.

In a recent survey of appraisers, we discovered that nearly 40% track accounts and invoices manually or with a paper ledger. This is great news for the type of client that doesn't intend to pay you on time! Having your finances in a tracking system that can run reports and summaries on demand is a must if you ever want to analyze where your business is coming from, where it's going, and where you are right now.

HOW INVOICES AND STATEMENTS AFFECT TIMELY PAYMENTS

By taking a proactive approach to receiving payments, you can spend more of your time developing your business and performing the actual work of appraising. While accounting work isn't as interesting as appraising, it certainly beats overdue and unpaid invoices. And if you're the type of person that is "bad with money," make sure you have an assistant or some member of your organization that isn't so your business doesn't pay the price.

First, when you create an invoice, make sure to include a due date and terms. An invoice with no due date or terms will never get paid. Don't assume your clients know that an invoice is due upon receipt. Include the actual date you want the money! Include a statement about late fees; this shows that you are serious about getting paid.

Next, realize that billing is more than generating an invoice. Some appraisers opt for a simple spreadsheet, but you need more than that. Most major appraisal software vendors provide some sort of integrated solution for tracking invoices and creating statements. There are also dozens of 3rd party bookkeeping tools like the ever-popular Intuit QuickBooks®.

The key to using an accounting system is getting it set up. Most appraisers who do their billing manually say they do so because it's too confusing or time-consuming to set up a full-blown accounting system. It's easy to see how they could let this go — after all, there's no deadline on tracking data. So, they put it off and eventually fall behind.

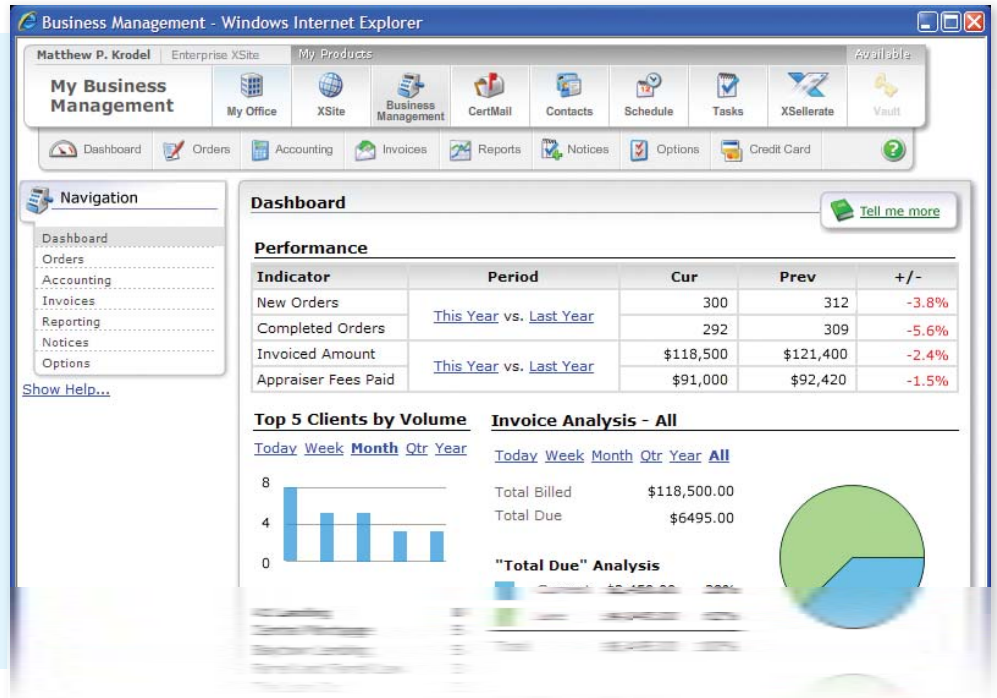
If that has happened to you, we hope you'll take this opportunity to set up a comprehensive accounting system. Once you do, you'll be able to easily generate a statement to mail to a client or generate a report to tell you where the money is coming from. The integrated accounting features in Appraiser XSites take accounting a step further by automating the process of sending out past due notices via e-mail.

POWERFUL INVOICING AND TRACKING FOR ALL YOUR JOBS

Any data from your order, like the contact information and job type, are automatically added to your invoice record so there's no double data entry. Plus you can easily set up any kind of appraiser or client-specific fee splits and job types and track non-invoiced reports from one screen

STEP BACK AND TAKE A LOOK AT YOUR BUSINESS

XSites' business management reporting tool lets you see detailed financial and tracking reports so you see who owes you money, your workload, jobs waiting to be invoiced and more.



TAKING CREDIT CARDS

Besides receiving actual cash, credit cards are the most reliable way to ensure you receive payment for your work. Thousands of appraisers are already doing it. In a recent survey we conducted of our loan origination clients, 70% said they would be "likely" or "very likely" to pay for appraisals with a credit card if given the opportunity.

So how do you go about taking credit cards?

First, you need what's called a "merchant account". Your existing business banking account probably already provides for this, or the service you use for physically charging the cards may recommend a bank. Next, you need a way to charge the cards. Traditionally this would be a swipe machine, but these days, it also means a secure website. Typically, your merchant account provider will be able to refer you to one or more vendors that work with them.

Appraisers with one of our Appraiser XSites are spared from having to piece everything together. You can apply for a new merchant account through our partner bank. And we pay for the merchant account when you get an Enterprise XSite. Or, if you already have a merchant account, we have a screen where you can plug in a few items and be up and running in no time.

There are fees associated with accepting credit cards. Most merchant accounts can cost anywhere from \$7 to \$12/month. There's also a discount rate per transaction that's typically between 2.75% and 3.5% of the entire amount. While it may not be desirable for an appraiser to use credit cards on every order, it's cheaper than chasing down a bounced check on high-risk or new accounts.

Our customers process millions of dollars in credit card transactions through our XSites every year, so we know how to make the process work seamlessly for you. For more information about taking credit cards, see www.alamode.com/takecreditcards.



Charge cards in the field

Imagine taking a credit card number at the door before you even begin the inspection. Appraisers with an Enterprise level XSite can access their business management features, including credit card processing from an Internet-enabled phone like an iPhone®, BlackBerry® or device with Windows Mobile® by going to their domain followed by /mobile.

For example:
www.samplexsite.com/mobile.

The credit card processing tools built into Enterprise Level Appraiser XSite enable your customers to pay from their order summary screen when they download the report.

Payments are automatically associated with the order so you don't have to go back later and reconcile your credit card transaction statement.

How much do web designers charge to build a website?

Web design rates vary dramatically. Rates depend on the type of website you want, the features you need, and the experience of the designers and programmers.

Generally, web design rates range from \$100 per hour to \$200 per hour and up. The price of an XSite is far less than contracting a designer, and you'll get more features than you could ever get from a custom site.

If you decide to contract out your web site, be careful. Don't pay thousands in advance, and don't forget to ask for references.

What about using a PayPal® account?

Our customers often ask us about using PayPal. Basic PayPal accounts are easy to set up and don't require a merchant account. Some feel the fees are a little too high, and the "customer experience" is diminished because the client has to go through PayPal's secure site and set up an account to actually make the payment. If you plan on running a charge or two per month, PayPal may be a great option for you.

PayPal does offer a more robust merchant account that can be more tightly integrated in to your website and business. This does cost extra and may require the services of a web programmer to plug PayPal in to your site.

Orders paid using PayPal don't automatically get entered in to your accounting system if you're using an XSite, like our integrated credit card processing does. That's partly why we built it. Clients also appreciate the option to pay by credit card on your XSite using a web browser or Internet-enabled mobile phone.

Charge backs

When someone successfully challenges a credit card payment, the reversed transaction is called a "charge back." In the appraisal industry, less than 1% of the transactions are cancelled — a much lower rate than bounced checks. Typically, they occur when the client claims you didn't have authorization to charge the card in the first place.

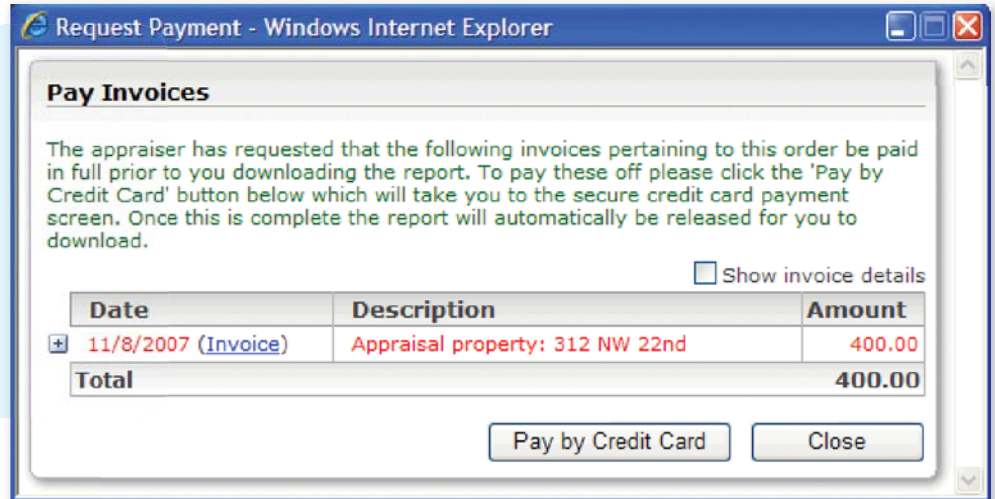
To help prevent charge backs, the banks that issue merchant accounts often have training materials which teach you how to collect payments and prevent charge backs. Some banks instruct you to get an imprint of the card or provide a form for the client to sign authorizing use of the card. When you can prove that you had authorization for the charge and that you indeed provided a product, your chances of winning an appeal improve dramatically.

If you're collecting payment from the occupant at the inspection, you may want to explain to the card holder that they are going to be charged whether or not the loan goes through. Unfortunately, many loan officers don't understand how the appraisal fits in to the picture, so you can't necessarily expect a consumer to understand. Instead of getting frustrated, just be friendly and see it as a chance to educate — the homeowner may really appreciate your professionalism.

Require payment before delivery of XSite orders

a la mode XSites allow you to specify that particular clients must pay their invoice before they download a report. When the client clicks the link to download the report, they are presented with a payment screen.

See instructions here:
www.alamode.com/onlinedelivery

**REQUIRING PAYMENT BEFORE DELIVERY**

You can avoid spending time on collections by asking for payment up front. Many appraisers collect payment before beginning an appraisal or at the inspection. Or you might want to develop a "Collect on Delivery" (COD) payment system. (see the sidebar on the left.)

While we recommend you adopt pay-in-advance or COD policies as a way to reduce your receivables, be careful how you present your new policy to clients. You may want to place this limitation only on new clients that have placed five or fewer orders. After all, if you have a long time client that has reliably paid, there's no need to impose a new policy now.

You don't like to hear the phrase, "It's our policy"; neither will your clients. Avoid saying that phrase. Don't make a big deal of asking for payment up front. Address it in a matter-of-fact manner and the payments will come.

Client Account Access

Practically every "account" we can have these days can be accessed online: banks, credit cards, cable companies, book stores, and more. It's the way we do business now and your clients just might expect that level of service from you, too. If they could access their account online, they could see active jobs and possibly even invoices with a place to plug in a credit card for payment.

My Orders
My Account

New Orders

Ordering an Appraisal on my website is easy. Simply click the link below to be taken to the ordering page. No need to worry about faxing the order or any problems with me transferring the order details into the report, the information is automatically imported and I will be working on your report in no time.

[New web order](#) | This option allows you to order an appraisal through my electronic order form on my website.

Order Summary

Double-click on an order below to view the order details and download the completed report (if available). To Sort just click on any heading.

Status: Open Show: All Total: 4 Orders

| Borr./Owner | Address | Due | Status | Track# |
|----------------|---|------------|----------------------|----------------|
| Laura Biden | 1024 Crown Dr Edmond, OK 73034 | 11/27/2007 | Inspection Scheduled | 295587-5280885 |
| Bill Hendricks | 2312 NW 45th Oklahoma City, OK 73112 | 11/25/2007 | Inspection Scheduled | 295587-5281277 |
| Don Kashane | 421 NW 16th Oklahoma City, OK 73103 | 11/15/2007 | In Progress | 295587-5082313 |
| Luke A. Boyd | 111 NW 19TH St Oklahoma City, OK 7310... | 11/6/2007 | In Progress | 295587-5320736 |

Appraiser XSites' built-in Business Management features allow your clients to log in and view their accounts. They can view current and past orders, payments and invoices - even on orders they didn't place online. When credit card processing is enabled, you can give your clients the convenience of paying online right from their account summary.

My Orders
My Account

Account Summary

Below you will find a summary of your account history for the last seven days. For your convenience you can see the amount you have paid to your account over the last week, the balance of new invoices, and your total balance. If you would like to view more information about a particular invoice or payment please see the "Recent Payments" and "Current Invoices" sections below.

| Previous Balance \$ | Payment Activity \$ | Invoice Activity \$ | New Balance \$ |
|---------------------|---------------------|---------------------|----------------|
| 0.00 | (-) -375.00 | (+) 1,125.00 | (=) 750.00 |

[\(Pay by credit card\)](#)

Show orders completed by: All Appraisers

Recent Payments

[\(See My Payment History\)](#)

Here you will find any payments you have made towards your account in the last 30 days. To view more information about a particular payment, double click any of the lines. A new window will open with more information specific to the payment.

| Date | Description | Amount |
|---------------------------------------|------------------------|----------------|
| 11/7/2007 (More Info) | Check Payment Received | -375.00 |
| Total | | -375.00 |

Current Invoices

[\(See My Invoice History\)](#)

Below are all of the current unpaid invoices on your account. To see more details for each of the invoices, select the "plus" sign next to the invoice and the invoice breakdown will be displayed. If you would like to print a copy of the invoice, double click the line and a new window will open with a copy of the invoice and various payment options. All invoices with details in red below are currently past the due date for payment.

Show invoice details

| Date | Description | Amount |
|---|------------------------------------|---------------|
| <input checked="" type="checkbox"/> 11/7/2007 (Invoice) | Appraisal property: 421 NW 16th | 375.00 |
| <input checked="" type="checkbox"/> 11/7/2007 (Invoice) | Appraisal property: 111 NW 19TH St | 375.00 |
| Total | | 750.00 |

Once again, having an Appraiser XSite facilitates this aspect of your business. Even if your clients don't place orders online, you can post orders to your XSite straight from WinTOTAL so the client can retrieve them at their convenience. In a recent survey of our loan origination customers, 90% said they preferred to get status updates online. It stands to reason they'd like to see their account online, too.

How Customer Service Affects Collections

TIP

Check out your new clients

How many small business owners have kicked themselves for not checking first on the most obvious details of a company that orders a service and then doesn't pay? Most "deadbeats" have been that way for some time and there will be a trail of destruction behind them. With any new clients, do a quick Internet search to verify billing addresses and phone numbers. Most county court houses have online public records searches, and it doesn't hurt to bookmark that site and run quick checks on all new clients. Knowing your new client's history could save you a lot of heartache.

Customer service is often cited as the #1 reason someone either stays with or leaves a particular vendor. For most appraisal business owners, you are your own customer service department. Every time you answer the phone, send an e-mail or talk to homeowners, you're shaping someone's impression of your company. Make a conscious effort to give the same "good customer service" that you'd expect to receive.



KEEPING UP GOOD RELATIONS

Someone is going to be more likely to keep a good business relationship with someone they know. In other words, if you're always friendly and do things like send e-mails to keep them thinking about you, they are going to be less likely to blow you off if they have to choose which debt to pay. In the survey we mentioned earlier, 2/3 of the loan originators said they are more likely to give repeat business to appraisers that send thank you notes and regular communications. Your mortgage clients are in the "sales business" and see this as a normal part of life. You'll be speaking their language! When they like doing business with you, they'll also go along better with your payment policies.

In the extreme case where a client is your fishing buddy or you have kids on the same soccer team, you may think it would be easier for them to take advantage of you and put you off. Or, they might want you to make an exception for them. Earlier in this e-Book we talked about keeping communications with debtors serious and professional — joking around with someone that owes you money sends the signal you can be put off. In these situations, you simply have to keep control from the start. Don't let things go too far early on, and you'll avoid conflict down the line.



The XSellerate product bundled with Enterprise level XSites automates some of your regular communications by providing ready made campaigns for holidays, birthdays, etc, that go out to your clients at regular intervals.



BE ACCESSIBLE

Lastly, be available when your clients call to discuss their account. In general, this is a good rule of thumb for any business.

Here's an example: My dentist sent me a bill for my last visit. When I called on a Monday morning to give them a credit card over the phone, I was informed by an answering service that they were closed on Mondays and to call back at any other time in the week except on Fridays after 3PM. When did I get around to calling again? It was Tuesday of the following week after I remembered it over the weekend. It wasn't a large sum of money, but they had to wait an eight extra days to get it.

Also, if you use tools like a website and proactive status messages, you'll receive fewer of the bothersome calls and more of the "money calls". So, as you can see, good business practices can result in time savings on the production side, more orders due to a better customer experience, and time savings to focus on what you do best: appraisals.

Appendix

TIP

Collections takes a lot of discipline and it's best to set aside a scheduled time to do it. It's not fun, but it requires organization and focus. Fridays are not good days for your collection calls because so many people are out of the office. Yet that's the least busy time for many people, so it's when they have time to call. It's best to set aside a small window of time on a Tuesday or Wednesday morning, when your contacts are more likely to be available.

Making collection calls is a hassle and for many, it's very uncomfortable. In cases where you're relying on that client for future business, it can be extremely tough. In most cases, you undoubtedly want to collect what you're owed but also don't want to burn any bridges. Here, you'll find some sample e-mails, phone scripts, and letters that are professional and stern. Feel free to adapt these to suit your needs and your business.

We've printed the collection letters here, but we've also provided editable versions as rich text files (RTF) that you can use with or without letterhead in any word processing program. Fill in the blue text in these letters with your own information and they are ready to send. These letters are included in the "resources" folder next to the GetPaid.pdf file.

If you can't find those resources on your computer, re-download the Get Paid package here: www.alamode.com/getpaid and make a note of where you saved the file. If you have trouble with these resources, write us at info@alamode.com.

A1 10 Days

A letter for sending up to ten days after an invoice is due. This is a friendly reminder for clients who may have forgotten their debt. Send this letter as soon as an invoice is overdue to lower your receivables.

A2 30 Days

A firmer letter for clients who are past 10 days, but not yet 30 days overdue.

A3 More Than 30 Days

An even firmer letter for clients who are past 30 days. This one is the first in the series that mentions outside collections.

A4 More Than 45 Days

Clients who go past 45 days are less likely to pay. This firm letter informs them that you are turning them over to collections. We hope that it motivates them to avoid the ordeal of dealing with collectors.

A5 Voice Mail Scripts

Don't know what to say when the recorder picks up? Use these voice mail scripts to spur late clients into action.

10-day Collection Letter

Printable, customizable versions of these letters are included free with this eBook. Find them in a folder labeled "CollectionLettersDOC" next to the GetPaid.pdf file on your computer. If you can't find them, re-download them here: <http://www.alamode.com/getpaiddownload>

Client Company
Attention: Client Name
123 Street Name
City, State, ZIP
Month XX 200X

Dear Client Name:

I would like to bring to your attention a possible oversight for payment on invoice #12345.

Total amount past due is \$XXX.

If you have already put the check in the mail, we apologize for the inconvenience and thank you for your payment.

If the invoice has not been paid, the delinquency may affect your ability to order new appraisals or receive completed appraisal reports.

If you have any questions, please don't hesitate to contact Firstname Lastname at (XXX) XXX-XXXX.

Sincerely,
Appraiser Name
Appraiser Company

Up to 30-day Collection Letter

Printable, customizable versions of these letters are included free with this eBook. Find them in a folder labeled "CollectionLettersDOC" next to the GetPaid.pdf file on your computer. If you can't find them, re-download them here: <http://www.alamode.com/getpaiddownload>

Client Company
Attention: Client Name
123 Street Name
City, State, ZIP
Month XX 200X

Dear Client Name:

SECOND NOTICE

This is the second reminder that invoice #XXXX for an appraisal you ordered on the property located at PROPERTY ADDRESS is now XX days past due. Total amount due is \$XXX. Please remit payment immediately to the address below to avoid further action.

If this invoice has recently been paid, please disregard this notice. If the invoice is not paid immediately, it may affect your ability to order new appraisals or receive completed appraisal reports.

If you have any questions, please don't hesitate to contact Firstname Lastname at (XXX) XXX-XXXX.

Sincerely,
Appraiser Name
Appraiser Company

30+ day Collection Letter

Printable, customizable versions of these letters are included free with this eBook. Find them in a folder labeled "CollectionLettersDOC" next to the GetPaid.pdf file on your computer. If you can't find them, re-download them here: <http://www.alamode.com/getpaiddownload>

Client Company
Attention: Client Name
123 Street Name
City, State, ZIP
Month XX 200X

Dear Client Name:

Invoice #XXX for an appraisal you ordered on the property located at XXX Property Address is now XX days past due. Total amount due is \$XXX.

Be aware that we work closely with credit reporting, collection and licensing agencies.

If this debt is not paid within 10 days, we will seek any and all legal remedies available to collect.

If this invoice has recently been paid, please disregard this notice.

If you have any questions, please don't hesitate to contact Firstname Lastname at (XXX) XXX-XXXX.

Sincerely,
Appraiser Name
Appraiser Company

45+ day Collection Letter

Printable, customizable versions of these letters are included free with this eBook. Find them in a folder labeled "CollectionLettersDOC" next to the GetPaid.pdf file on your computer. If you can't find them, re-download them here: <http://www.alamode.com/getpaiddownload>

Client Company
Attention: Client Name
123 Street Name
City, State, ZIP
Month XX 200X

Dear Client Name:

Invoice #XXX for an appraisal you ordered on the property located at PROPERTY ADDRESS is now XXX days past due. Total amount due is \$XXX.

We have contacted your office several times for payment, but have not received what is owed. Be advised we are forwarding this matter to our [legal counsel OR collections representative], [name of Collections Company/Attorney.]

If this matter progresses further, we will seek all remedies allowed by law including legal fees and court costs. It will be much less expensive for you to pay as agreed to avoid further legal action.

If you have any questions, please don't hesitate to contact Firstname Lastname at (XXX) XXX-XXXX.

Sincerely,
Appraiser Name
Appraiser Company

Voice Mail Scripts

If "receipt numbers" aren't in your standard operating procedure, you might consider them for these collection cases. It gives the impression that you're a larger company and won't be as easy to scam as they might think. Also, it gives the benefit of doubt that your client has already paid. Also, when leaving a voice mail message, always leave your phone number at least twice.

LESS THAN 10 DAYS OVERDUE

This is a message from _____ with regard to an unpaid balance in the amount of \$_____ for invoice #_____, dated _____. Currently, this balance is ____ past due. If you've recently paid the invoice, please contact _____ at _____ for a receipt number. If it has NOT been paid, please remit payment immediately or call our office at _____. Thank you.

LESS THAN 30 DAYS OVERDUE

This is our second call with regard to an unpaid balance with [insert your company name] in the amount of \$_____ for invoice #_____, dated _____. Currently, this balance is ____ past due. If you've recently paid the invoice, please contact _____ at _____ for a receipt number immediately. If it has NOT been paid, please remit payment immediately or call our office at _____. Thank you.

OVER 30 DAYS PAST DUE

We have tried several times to contact you regarding an unpaid balance with [insert your company name] in the amount of \$_____ for invoice #_____, dated _____. This invoice is now seriously past due and pending legal action. If you've recently paid the invoice, please contact _____ at _____ for a receipt number immediately. If it has NOT been paid, please remit payment immediately or call our office at _____. Thank you.