

Balance My Checkbook? (Heck no, I got the Google)

In the olden days before the Google, most people would balance their checkbook on a monthly basis. The process was simple, write a check, enter the transaction in their check register that the bank had graciously provided with their blank check order and finally balance that check register with the paper statement that the bank sent out each month. This changed slightly with the advent of the ATM and the debit card, but the principle was the same. The person would enter the ATM and debit card transactions in their check register and balance these transactions with the paper statements sent by the bank each month.

Today, everything is electronic. People hardly write checks anymore and cash is no longer king. Multiple electronic transactions are being made from people's bank accounts every day, including debit card, bill pay and auto-payments to name just a few. With all of this activity happening to people's bank accounts you would think that now more than ever it would be important to monitor one's bank account and more importantly make sure the bank account balances. Unfortunately, this is not the case. For some strange reason people have stopped "balancing their checkbook" because it is all "electronic" now.

10% of the accounts that are sent to us for collections are sent to us because an electronic transaction did not go through as intended and the homeowner never noticed or cared to even look at their bank account. They were quite comfortable giving a stranger access to their bank account and assume that it was going to be just fine.

These homeowners have no business being in collections. Collections is for two kinds of people, those that cannot afford to pay or refuse to pay. It is sad that people end up in collections because of an electronic transaction gone awry. Even sadder that they are now faced with late fees and collection costs.

I know collection agencies don't think it is so sad. After all, these types of collections are a cash cow. Debtors that have the money to pay and aren't refusing to pay? Beautiful! RRFS is not like that. We genuinely want to help homeowners get out of collections. Moreover, once they are out of collections, we don't want them to come back. We take the time to educate them and remind them that now more than ever they need to balance their checkbook. They need to check their bank account each month to make sure their electronic transactions came out of their account and for the correct amount.

It would be my hope that y'all could remind your homeowners in your newsletters or other communications the importance of monitoring their bank account and balancing their checkbook to avoid the unpleasantness and added expense of being in collections.