

Got Debt Owed To You?

4 Quick Tips for Helping You Recover Your Money

“Cash is king” is a well-known phrase used by many investors and business owners that refers to the importance of cash to the survival of any business. Unpaid invoices, past due accounts, and other debts owed to your business may not only interrupt your cash flow but may also jeopardize future success. Whether you are a small one-person business or a national bank, this type of debt may be difficult to manage. However, there are certain steps that you may take in order to limit your liability and recover what is owed.

1. **Maintain Good Records** – One of the pitfalls many businesses encounter with debts owed to them is that they may not have an accurate accounting of their business records for their clients. Ensuring you have policies in place to store all contracts or applications, notate proper and timely credits or debits to an account, document all contact you have with the client or borrower, and have those documents quickly available is important to your success to collecting the debt.
2. **Comply with Local and Federal Rules** – Over the years, the debt collection industry has been closely scrutinized and regulated, often times because of a few bad actors. As a result, you should ensure that your business is in compliance with all local and federal laws and regulations regarding debt collection, such as those from the Fair Debt Collection Practices Act (“FDCPA”) and the Consumer Financial Protection Bureau (“CFPB”). Doing so can not only speed up the process to help you get paid what you are owed, but it may also prevent future litigation.
3. **Negotiate** – While many businesses and individuals may be absolutely entitled to immediate full payment of a debt, it may be beneficial to your cash flow to negotiate a settlement. Some people that owe you might not be able to pay the full amount but are willing to pay over time or settle for something less than full value. This can be beneficial to your business, allowing you to recover most, if not all, of what is owed while helping those who owe you money to move forward without having to worry about the uncertainty of outstanding debts. In your negotiations, however, it is important to remember to avoid language or policies that may be deemed as inappropriate under the FDCPA.
4. **Get Help Quickly** – Despite earnest attempts made by businesses to settle an account, it is not unusual for consumers to continue to fail to repay debts owed. When this occurs, it is advisable for that you reach out for help as soon as possible. Law firms that focus on creditors’ rights and debt collection may be able to advise you on how to proceed and may represent your company should litigation be required. There are statutes of limitations for most types of debt as well as various other legal considerations, so reaching out to a reputable law firm quickly to assist with overdue or unpaid debts can be helpful in recovering what is owed to you.

While these general tips may be helpful, each business and debt owed is unique and there are many issues that may arise. Having the advice and counsel of experienced creditors’ rights

attorneys may end up being the difference in your bottom line at the end of the year. More importantly it can mean added cash to your bank account when you need it most.

Since 1978, Wilson & Associates, PLLC has been assisting banks and businesses recover what is owed to them. Whether it is commercial or retail debt, our attorneys are experienced in creditors' rights law across Arkansas, Tennessee, and Mississippi. Our firm is a proud member of national creditors' rights organizations and our team of attorneys are committee members in both NARCA and CLLA. Should your company find itself holding unpaid debt or dealing with past-due accounts, call one of our attorneys today.