



Is Your Credit Union's Collections Efforts Keeping Pace with Loan Growth?

[A recent Credit Union Times article](#) sights a CUNA report of double digit credit union loan growth driven to a great extent by automobile lending. As your institution's loan portfolio grows, it's important to make sure that collections efforts keeps pace and that those efforts are compliant as well as leading edge.

Some key questions to ask yourself:

- Are delinquency rates and net charge offs remaining constant or decreasing as your institution's loan portfolio grows? Faster loan growth should not necessarily lead to higher loan losses as long as the collections infrastructure has the ability to scale accordingly.
- Is your institution utilizing the latest collections technology & strategies which engage borrowers in a multi-channel collections platform? Collections efforts need to keep pace with the same array of apps and digital touch-points which originally attracted your borrowers.
- Is your collections platform compliant and current with the latest federal and local regulations governing debt collections practices? This means having good written policies and procedures in place as well as supervisory personnel monitoring employees to ensure they follow those policies and procedures. Government agencies such as the CFPB are looking more closely than ever at debt collection practices with stiff penalties for noncompliance which makes it important to make sure your institution has appropriate policies and procedures in place.

Bottom Line: As an institution's loan portfolio grows, it becomes crucial that the back office default servicing / collections infrastructure keeps pace or preferably achieves scale while maintaining or reducing operating costs and loan asset quality.