

Case Study

Debt counseling leading to a 120% improvement in debt recovery on student loans

Reversing declining student loan debt recovery rates and doubling recovery performance.

Solution Overview

Recruitment, training, and technology integration

Results



Doubled average debt resolution per associate from **12** to **25** per month



Received the highest office rating in the debt recovery network



Consistently delivered customer satisfaction scores of **99.5%**

Challenges

- Reverse declining debt recovery rates on student loans
- Recruit, train, and lead talent in compassionate counseling
- Target consumers at risk of default
- Improve collaboration by integrating systems across platforms

Using an empathic approach to recovering student loan debt earned Firstsource a 99.9% quality score from the loan underwriter.

Operations challenges

Rehabilitating student debt in default requires a deft touch because of the public dialog around debt forgiveness.

As this was a start-up operation, we needed to recruit and train talent while complying with debt collection regulations.

Associates required training in professional and compassionate debt collection and helping consumers avoid the stigma of default.

A scalable delivery model using on-shore and off-shore staffing was required to meet client requirements for volume.

Compliance challenges

Debt collection is one of the most regulated business practices in the US. Establishing a new operation required extensive training to ensure associates were knowledgeable in permissible collections practices and well-practiced in empathetic debt collection.

Creating a modern infrastructure

Firstsource developed a customized, data driven approach to debt counseling, default prevention, debt management and recovery.

We perfected default aversion counseling that helps at-risk consumers manage debt before they go into default. Also developed applied analytics that enable associates to focus on accounts and customers that have higher repayment propensity.

Adopted leading-edge technology to guide debt recovery practices, ensure regulatory compliance and gauge customer satisfaction.

Solution Synopsis

- Recruited and trained 154 FTE in professional debt collections
- Reduced training time from eight weeks to four weeks
- Improved communication between associates by integrating systems
- Networked across multiple operations to resolve borrower defaults
- Developed a propensity-to-pay model to prioritize and focus on receptive borrowers

Exceeding expectations

There was marked improvement in productivity as the average debt resolution per associate more than doubled, from 12 to 25 per month for a gain of 120%

Achieved the highest office rating in the debt recovery network for resolving defaults, compromises, and consolidations, double the productivity of the next highest rated office.

We consistently delivered customer satisfaction scores of 99.5%.

Firstsource created training programs and formulated workflow categories to convey empathy and ensure compliance.

What's your challenge?
Let's work together to solve
it. To speak to our experts
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