

### Chapter 1 : Debt Recovery - [www.nxgvision.com](http://www.nxgvision.com)

*Debt recovery and debt collection are similar terms with one small, but very important distinction. The difference is who is trying to retrieve a debt. Debt collection is a creditor's attempt to recover consumer credit and loans that have not been paid back by a customer.*

Debt recovery strategies Debt recovery represents different loans and delinquent payments, deriving from past-due consumer and commercial debts. Default recovery can be provided by a standard debt collection agency, or performed by debt buyers, when they become the new debt owners. Such agents can recover the delinquent amount partly or in full. Potential debtors can be individuals owing commercial or consumer, secured or unsecured past-due payments. Debt recovery types Debt recovery is usually carried out by first-party or third-party collection agencies, but it can also be performed by debt buyers. All debt collection agents use wide range of recovery methods and tools to successfully collect behind amounts. The name derives from the fact that the original lender is the first party and the consumer debtor is the second party from the contract signed between these two sides. Third party bad debt recovery is implemented by a private debt collection agency, which is hired by the original creditor and act on his behalf. Such debt collection includes installation of specialised software, generally known as API. Some creditors prefer this type of bad default recovery, as the procedure is completely transparent and they can follow and monitor the whole debt recovery operation. Debt buyers invest in default profiles, purchased from the original creditor. Debt buyers pay the lender a portion percentage of the total debt sum and they become the new creditor. After that the debt recovery process commence. A debt buyer can either collect the debts on his own, hire a third-party DCA to perform the recovery process, or re-sell the delinquent profiles to another debt collection agency. Debt recovery fees Bad debt recovery includes additional payments for the collection agency, bailiff services, debt recovery solicitors and attorneys, court actions, etc. However, the commission fee percentage is strictly regulated by law. In regard to bailiffs, the percentage fee is different for each country. Debt recovery strategies Bad debt recovery consists of various collecting tools. They include tracing and monitoring services, pre-legal and legal actions and court proceedings. Pre-legal methods comprise different communication actions, such as friendly reminder letters, emails, phone calls, even voicemails and fax messages. If the pre-legal actions are not successful, overdue payments agencies proceed to legal actions: They can also negotiate with the subject of debt in order to recover the full default amount at once or by providing convenient payment plan weekly, monthly payments. Bailiffs, debt collection lawyers, etc. Bad default recovery can even extend to legal court process. From this moment onwards the subject of debt is to be contacted only by court attorneys and legal representatives.

**Chapter 2 : Final Rule: Debt Collection — Amendments to Collection Rules and Adoption of Wage Garnis**

*The Europe Debt Recovery Agency was established by the EU Finance Council to address the many issues of debt and fraud recovery matters in the European Union. The European Debt Recovery Agency is authorised and regulated by the European Finance Council for accounts formed under the Consumer Credit Act as amended*

It demands the subject of debt to settle the outstanding bill, which is in default, within the certain time specified, and informs him about the total debt amount. Such letters are sent from a recovery agency on behalf of a creditor to the subjects of debt. Debt collection letter template - functions and samples A debt collection letter template has two functions: It is always sent by post or fax in order the receipt to be confirmed in writing by the second party , so the letter can be used as an evidence that the debtor has been contacted and warned of the bad debt situation and the following procedures. A debt collection letter template is used by debt collection agencies in the following forms: It emphasises on settling the default payment but usually without a specific date, as it is the first reminder. The number of primary reminders depends on the debt collection agency , but usually, they vary between one and three. The sample is as follows: You are now to be contacted by official court attorneys, who will notify you of the hearing date. Therefore you will be served a subpoena to appear at court where you can present your defence. If you wish to settle the outstanding amount, please do not hesitate to contact us. It stresses on settling the debt as soon as possible, pointing out the total amount of the default payment and the deadline for settling the debt in full, before proceeding to legal actions. Dear XX name of debtor , Despite our previous reminder s , we still have not received any payment or answer from you. Please find the full debt amount and additional costs below: XX insert debt amount Late payment costs: XX insert amount Interest cost: XX insert amount Total: We would advise treating this matter with urgency and we believe you will not ignore this final reminder. To save yourself the inconvenience of court actions, we kindly suggest settling the total amount of debt and additional costs as soon as possible. We still trust court actions will not be necessary and look forward to receiving payment by return. Yours faithfully, name of contact person, name of debt collection agency Debt collection letter template, informing the debtor that legal actions have begun and that from this point onwards, court representatives will contact the debtor. Such letters fall under different County Court Judgment. Yours faithfully, name of contact person, name of debt collection agency According to the CSA, the last type of debt collection letter template cannot threaten false legal actions in the meaning of court actions, which are known as impossible to be implemented, or which do not refer to the right jurisdiction. Such letters are considered to be inappropriate and illegal as well. There are no strict rules for a debt collection letter template, but important guidelines should be followed in order the letter to be persuading which can lead to the successful collection of the debt amount even without using court actions and legal. Debt collection letter- features The demand letter generally requests payment from the subject of debt but it is not sent before an invoice has become overdue. Depending on the stage of the letters, one can contain either a reminder with the total amount; a reminder with the total amount and a specific date used as a deadline for the default payment; or summarising all information above, plus an optional starting date for court actions, if the debt is not settled before this date. A debt collection letter template is usually used as a sample and guide, or just as information for both DCAs Debt Collection Agencies and debtors. Collection letter samples can be found even on the Internet and are easily accessible in different websites, such as Law Institute Victoria <https://www.lawinstitute.vic.gov.au/>: Such letters have to be polite, non-harassing and formal, BUT not resembling the legal design of a court document unless the letter is written by a legal representative , as this is recognised as law violation. Demand letters contain only legal statements and are never harassing or oppressive, as they fall under different legal acts, e. Legal regulations of debt collection letters A debt collection letter has to be transparent and to clearly state the addressee, also it has to be in compliance with official debt law groups, e. If there is lack of information or misleading use of names or terms, it is considered as a breach and violation of the legal business practices. The debt collection letter is the most typical written form of communication by post. If the written communication is under the form of a telegram or a postcard, the envelope must not point the nature of the content according to the FDCPA, <http://www.ftc.gov/bcp/edu/microsites/ftcdebtcollector/>:

**Chapter 3 : Payday Loan Debt Recovery | Approvals in 2 Min, Apply Now!**

*How to deal with debt recovery companies. Dealing with debt recovery agencies is one of the most difficult parts of being deeply in debt. Debt recovery firms are hired by creditors to recover money owed to them by consumers.*

If the debtor company does not do one or more of the following, then they are presumed to be insolvent, and a creditor can take steps to wind in up in insolvency: Pay the amount of the debt; or Secure or compound for the debt; or Apply to the Federal Court to set the demand aside. This article will explain how to draft a statutory demand "Form H. A defect in the demand causing substantial injustice is one of the ways in which a demand can be set aside. If not drafted correctly, you may be ordered to pay the costs of the application. I have also extracted it and annexed Form H to the bottom of this article. Please scroll to the end. When thinking about how to draft a statutory demand "Form H, the name and the ACN Australian Company Number of the debtor company must be correct, and must be able to correctly identify the debtor company. The address of the registered office of the company must also be correctly identified. There is a section of the current extract which identifies the registered office. This eliminates any possibility of user error. Section 9 of the Corporations Act defines one of the ways a defect in the demand can exist to be a misdescription of a person or entity. Your Name, Address and the Debt Next, when learning how to draft a statutory demand "Form H, you must correctly identify your own name, address, and the amount of the debt. A creditor in this section must clearly identify the entity to which the debt is owed. If the debt is owed to a person, then correctly identify the person. If the debt is owed to a company, then correctly identify the details of the Company. This may sound like being over-cautious but the demand should clearly identify the correct entity of the creditor. The Amount of the Debt You must then clearly identify the amount of the debt. Where you see an asterisk in the Form H then you are to keep one and delete the other. The debt amount can relate to one debt, or a number of debts. If your demand relates to one debt, keep the first and delete the second. If your debt relates to a number of debts, then delete the first and keep the second. The amount that you insert here, must be identical to the amount that you put into the schedule. Please refer to the section below regarding the Schedule. Section 9 of the Corporations Act defines other ways a defect in the demand can exist to be a misstatement of an amount or total; and a misdescription of a debt or other matter. It is vital that you also get this part correct, failure to correctly identify the creditor or the correct amount of the debt may allow the demand to be set aside, and you may have to pay costs for the application. We offer professional advice and assistance in all things related to statutory demands Setting Aside Statutory Demands Amount is Due and Payable by the Company Once that you have correctly identified the parties, and the amount of the debt, the demand must clearly state that the debt is due and payable by the debtor company. If you are serving the statutory demand with an affidavit in support, then delete the first option and keep the second option. The deponent is the person who has sworn or affirmed the affidavit. This is usually the director of the creditor if the creditor is a company or the creditor if a natural person. The date of the affidavit and the date of the statutory demand must be the same. You must state that the total amount of the debt or debts is due and payable by the debtor company. If you chose one 1 debt in paragraph 1, then choose one 1 debt here. Is you chose a number of debts in paragraph 1, then choose a number of debts here too. Then, leave the rest. Section 3, 3 a , and 3 b must be left in the statutory demand. Paragraphs 4 and 5 of the Demand Paragraphs 4 and 5 of the statutory demand are to be left exactly as they are. Paragraph 4 lets the debtor company know that if they do not comply with paragraph 3, then the creditor can apply to wind the company up. Paragraph 5 lets the debtor company know they can apply to set the demand aside if they have grounds. It also lets the company know that a sealed copy of the application and affidavit in support must be served on the creditor within 21 days of being served with the statutory demand. The Warning Box Next is the warning box, warning the debtor company of the consequences of failing to respond to the statutory demand. The warning box must be left in. Although the Courts have ruled that omission of the warning box is a defect which does not cause substantial injustice, it should simply be left in. Address for Service of Application Next is the address for service for copies of an application to set aside the demand and the supporting affidavits. The address for service of the creditor must be in the same State as the

registered office of the debtor company. Although the Courts have ruled that an address for service in another State is a defect which may not cause substantial injustice, you should attempt to get an address for service in the state where the debtor company has their registered office. This law firm will charge a reasonable fee to accept service of the documents and provide them to you. We offer professional advice and assistance in all things related to statutory demands.

**Chapter 4 : Debt collection letter template | [www.nxgvision.com](http://www.nxgvision.com)**

*debt recovery 2 e pdf A debt buyer is a company, sometimes a collection agency, a private debt collection law firm, or a private investor that purchases delinquent or charged-off debts from a creditor or lender for a percentage of the face.*

For purposes of this Section, the following words shall have the following meanings unless the context clearly indicates otherwise: Paragraph B 1 eff. See Acts , No. For purposes of this Section, "agency" shall also mean the court only for the collection of unpaid monetary obligations as set forth in Code of Criminal Procedure Article The legally collectible and liquidated sum due includes principal and accruing interest, fees, and penalties, if appropriate. Such referrals shall include data and information in the required format necessary to institute collection procedures. All delinquent debts shall be authenticated by the agency or officer prior to being referred to the office. Once the debt becomes final, and prior to referral to the office, the agency shall notify the debtor that failure to pay the debt in full within sixty days shall subject the debt to an additional collection fee as provided for in this Section. Such non-final delinquent debts shall be authenticated by the agency prior to their referral to the attorney general. The department shall notify the debtor by letter, within fifteen days of receiving the referral, that such debt has been referred to the office for collection. Upon receipt of the debt referral, the office shall assume all liability for its actions without recourse to the agency and shall comply with all applicable state and federal laws governing the collection of the debt. For purposes of this Section, the office shall not be considered a collection agency as defined in R. However, any contract entered into by the secretary for the collection of delinquent debt on behalf of the state shall be subject to review by the Cash Management Review Board. Additionally, the legislative auditor shall have authority to conduct audits of such contracts in accordance with the law. If the office of the attorney general is unable to or declines to offer legal counsel, the secretary is authorized to contract with a third party for such services. The secretary, through the office, may use any collection remedy provided by state law to facilitate the collection of taxes to collect the delinquent debt; however, the financial institution data match shall be used only in accordance with the provisions of R. The office may also use authority granted in R. The secretary has the discretion to determine which method or combination thereof is most suitable to collect the delinquent debt. However, the withholding, offset, levy, garnishment, or seizure of progressive slot machine annuities, cash gaming winnings, and payments of lottery prizes pursuant to the provisions of this Paragraph shall not be conducted until a single-point inquiry system which allows for searches of one or more real-time databases containing debt information pursuant to this Subsection and R. The office shall charge the debtor a fee not to exceed twenty-five percent of the total liability of debt which has become final after the initial effective date of this Section. The amount of the fee shall be established by rule promulgated by the department and shall be uniformly applied to all debts. Fees collected under this Subsection shall be retained by the office after the debt is collected and shall be divided in accordance with an agreement between the office and the office of the attorney general after payment of costs set forth in the agreement. Monies collected by the office pursuant to the provisions of this Section shall be transferred to the referring agency within thirty days after the end of the month in which the monies were collected and shall be used, subject to an annual appropriation, by the referring agency as they would have been had they been timely collected. However, any monies collected for delinquent debt as a result of nonpayment of tax liabilities pursuant to Title 47 of the Louisiana Revised Statutes of , as amended, after deposit into the state general fund, the first five million dollars shall be appropriated by the legislature beginning in Fiscal Year , and for four consecutive fiscal years thereafter, to the office of state police for a training academy class. The secretary shall establish a centralized electronic debt registry to compile the information provided by agencies and shall maintain all information provided from all sources within the state concerning addresses, financial records, and any other information useful in assisting the office in collection services of the centralized registry. The data compiled in the registry from the department, referring agencies, and the office shall be available for cross-referencing and for the identification of debtors necessary for the collection of delinquent debt. Compilation of tax data in the electronic registry by the department shall not be a violation of R. Except as provided for in R. Agencies may exercise the following

procedures, in combination with its own statutes or as a standalone procedure, to make any debt owed to the agency a final delinquent debt that is collectible by the office. The secretary shall promulgate rules and regulations in accordance with the Administrative Procedure Act to implement the provisions of this Section, including rules authorizing any reasonable procedure or requirement for agencies referring delinquent debt to the department for collection, requirements regarding information necessary to collect the debt and the formatting of that information, and the priority or ranking of debt payments against multiple agency debts. Any rule promulgated by the department shall be construed in favor of the secretary. The secretary may enter into one or more reciprocal collection and offset of indebtedness agreements with the federal government, pursuant to which the state shall agree to offset from state tax refunds and payments otherwise due to vendors and contractors providing goods or services to agencies, non-tax debt owed to the federal government, and the federal government shall agree to offset from federal payments to vendors, contractors, and taxpayers debt owed to the state. After the office exercises and employs its collection methods and tools, it shall evaluate and recommend any uncollectible debt for sale or securitization in accordance with the provisions of R. The operations of the office shall be subject to annual review by the Cash Management Review Board. For purposes of this Section, the terms "delinquent debt" and "final debt" as defined in R. June 17, ; Acts , No. July 1, ; Acts , No. March 9, ; Acts , No. June 8, ; Acts , No. If you experience any technical difficulties navigating this website, [click here to contact the webmaster.](#)

**Chapter 5 : Debt Recovery Strategies And Tools To Improve Collection Of Debt**

*At Debt Recovery Resources, we provide our clients with individualized, cost-effective collection solutions. Let's take a moment to ponder why aged receivable have a lower rate of recovery. The central reason accounts are delinquent is simple.*

Debt recovery How to deal with debt recovery companies. Dealing with debt recovery agencies is one of the most difficult parts of being deeply in debt. Debt recovery firms are hired by creditors to recover money owed to them by consumers. Debt recovery agents can be very aggressive and threatening, making what is already a difficult situation for you financially even more stressful. We are a nonprofit organization dedicated to helping consumers with poor credit ratings, with credit card debt problems , or who are deeply in debt regain control of their financial future. Our highly trained credit counselors can help you analyze your finances, look at your options for lowering credit card debt or eliminating debt altogether with a plan to become debt free within a few years. How ACCC works with debt recovery firms. One of the strategies we often recommend for dealing with a debt recovery company is to enroll in a debt management plan. Under this arrangement, we will take responsibility for paying and communicating with all your creditors, including any debt recovery firms that are trying to get money from you. A debt management plan accomplishes three things. It shields you from the unpleasant contact with debt recovery agents and other creditors. And it lets us enter into conversations with your creditors about potentially reducing interest rates and finance charges, and stopping over-limit fees and late fees. Most of our clients that enroll in a debt management plan are able to settle credit card debt within five years or less. Why choose ACCC for help with debt recovery agencies? When you choose ACCC as your debt management center , we can help you to: Stop unwanted calls from debt recovery companies. We offer free credit counseling and our fees for our debt management plan and other services are extremely low. And by helping you reduce interest rates and finance charges, we can save you even more. Get out of debt faster. Most of our clients are able to find unsecured debt relief within just a few years.

## Chapter 6 : Info “ Debt Recovery Resources

*While dynamic changes in consumer behavior and legislation present new opportunities for debt recovery, they also pose real challenges. To maintain a productive debt collections organization, it's critical you protect your client base and improve operational efficiencies, while recovering as much debt as possible.*

Securities and Exchange Commission Action: The Securities and Exchange Commission Commission is amending its debt collection rules. The changes are required by the Debt Collection Improvement Act of November 26, For Further Information Contact: Currently, the Commission has rules for collecting its unpaid debts through three offset methods: The Commission adopted all of its debt collection rules in accordance with then existing provisions of the Debt Collection Act, the Federal Claims Collection Standards FCCS , and other authorities governing the collection of federal debts. In particular, the DCIA and revised government-wide regulations contemplate that Treasury will conduct centralized offset against amounts owed by the government to debtors. Under this centralized Treasury Offset Program TOP , federal agencies are to refer delinquent debts to Treasury, which compares them to amounts to be paid out by the government. Treasury can then cause those amounts to be withheld in satisfaction of the debts. To participate in TOP, federal agencies are required to conform their debt collection rules to government-wide regulations regarding administrative, salary and tax refund offset. To garnish the wages of non-federal employees, federal agencies had to obtain a court order. Discussion of Amendments A. The Commission is adopting amendments to Subpart A of its debt collection rules, which sets forth procedures for collection by administrative offset. The Commission is amending Subpart B of its debt collection rules, which sets forth procedures for collection by federal salary offset. As amended, Subpart B is consistent with government-wide salary offset authorities. The Commission is amending Subpart C of its rules for collection by tax refund offset, 16 which is the collection of a debt through the withholding of federal tax refunds owed to the debtor. Garnishment of Non-Federal Wages. The Commission is adopting new administrative wage garnishment regulations, 20 authorized by the DCIA. Treasury regulations require agencies to adopt regulations for the conduct of administrative wage garnishment hearings. The Commission is adopting technical amendments to its regulations concerning use of collection services and reporting of debts to consumer reporting agencies. This section states the authority for the administrative offset regulations. It is amended solely to update statutory references and to substitute the Department of the Treasury for the General Accounting Office as an agency responsible for the implementation of the FCCS. This section provides definitions of "administrative offset" and "person. This section sets forth the conditions for administrative offset. The considerations to be weighed in deciding whether to use administrative offset originally tracked requirements in the pre-DCIA version of the FCCS, which required agencies to determine the appropriateness of offset on a case-by-case basis. Because the TOP system contemplates automatic use of this form of offset, these conditions are removed. The regulation is also amended to permit referral of debts to Treasury for administrative offset through TOP. Demand for payment - notice. The FCCS requires agencies to adopt regulations regarding notice to the debtor. This provision alerts debtors that offset will be effected if no timely response is made. No substantive changes have been made. This section is amended to make clear that no attempts to reargue or collaterally attack the findings that resulted in a judicial or administrative order establishing a debt will be considered. With respect to debts established by a judicial or administrative order, a debtor may request a hearing limited to consideration of the issue of payment or other discharge of the debt. This section describes the circumstances under which an oral hearing may be required. No substantive change has been made. Written agreement for repayment. This section states that a debtor will be provided an opportunity to enter into a written repayment agreement. The rule continues to permit the Commission to engage in non-centralized offset with other federal agencies. Civil and foreign service retirement fund. Prior to the DCIA, federal retirement payments were subject to separate offset rules. Such payments are now subject to the general rules for administrative offset, and thus there is no longer a need to address these payments separately. The entire section has been deleted. In some cases, there may be insufficient time to effect offset through TOP before a payment has been made to the debtor. In such

cases, the FCCS permits a creditor agency to seek offset directly from the agency that is about to make the payment, and to omit the notice and opportunity for review otherwise required prior to offset. After offset is effected, the agency must provide notice and an opportunity for review, and must refund amounts found not to be owing to the government. The section is amended to indicate that it applies only to non-centralized offset. Excluded debts or claims. This section exempts certain types of debts from salary offset. The effect of the changes is that the Social Security Administration can now offset debts owed by Commission employees, either through TOP or by submitting a request directly to the Commission. The rule is amended to delete reference to the prior Social Security exemption. This section contains definitions applicable to this Subpart. This section describes the rights of the debtor that must be included in the pre-offset notice. This section provides guidance on employee responses to pre-offset notices. Employees must be given 15 days to request a hearing, and a timely request stays offset until after the hearing. The employee must be given an opportunity to enter into a written repayment agreement. No amendments to this section have been made. Petition for pre-offset hearing. This section is amended solely to clarify that no attempts to reargue or collaterally attack the findings that resulted in a judicial or administrative order establishing a debt will be considered. Granting of a pre-offset hearing. This section provides that the Commission will arrange for an independent hearing official who may be an Administrative Law Judge to conduct pre-offset hearings. No substantive amendments have been made. No amendments have been made. This section permits the hearing official to determine the form and content of hearings, consistent with the FCCS. This section provides that the hearing official must issue a written opinion within 60 days of the filing of a petition for a pre-offset hearing. This section provides guidance on when deductions may begin, the source of deductions, and the duration of deductions. It also provides that any interest, penalties or administrative costs of collection will be imposed according to provisions of the FCCS. No amendment has been made. This section provides that the Commission will promptly refund amounts if a debt is waived or found not to be owing, but that such refunds will not bear interest unless required by law. Coordinating offset with another federal agency. This section provides guidance on requesting offset by another federal employer. However, there may be circumstances in which direct coordination with another agency may be preferable, and this method of conducting offset has been retained. This section is amended to make clear that centralized offset under the OPM regulations is to be attempted whenever possible; no other substantive changes have been made. Interest, penalties, and administrative costs. This section provides that interest, penalties and administrative costs of collection are to be assessed in accordance with the FCCS. This purpose section is amended to reflect the requirement that tax refunds be sought through Treasury and not directly through the IRS. References to pre-DCIA provisions are deleted. Past-due legally enforceable debt. This section stated the preconditions for referral to IRS under prior law. Because tax refund offset will be processed through the TOP system, these provisions are no longer needed. The section is deleted in its entirety. Notification of intent to collect. Reasonable attempt to notify. This section reflects prior IRS regulations that required agencies to rely solely upon addresses obtained from the IRS when sending pre-offset notices. Treasury has determined that agencies may in fact have better addresses in their debt files, and thus has not made this a requirement in its regulations. This section is deleted in its entirety. Commission action as a result of consideration of evidence submitted in response to the notice of intent. Before a tax refund offset can be effected, agencies are required to consider evidence submitted by the debtor, and to determine that the debt is in fact past due and legally enforceable. Prior IRS regulations required that debtors be provided with the opportunity to dispute a debt before the debt was referred to IRS for tax refund offset. Agencies are now to refer all delinquent debt to Treasury for processing through TOP. This regulation is amended to reflect the changes in processing of requests for tax refund offset. Change in notification to Internal Revenue Service. In some cases, the amount referred for tax refund offset may be subject to change for example, as a result of payments by the debtor or clerical errors by an agency. The section has been amended to remove references to the IRS and to conform to Treasury regulations. The DCIA requires Treasury to specify in government-wide regulations that agencies are to pay a fee to reimburse Treasury for conducting tax refund offset. This purpose section states that the Commission may use administrative wage garnishment to collect debts. This scope section makes clear that administrative wage

garnishment may be conducted in conjunction with other methods of collection, including other forms of offset. The section excludes collection from the salaries of federal employees governed by the federal salary offset statute. Key definitions of "disposable pay," "employer," "garnishment," and "withholding order" are taken verbatim from the Treasury regulations. A definition of "debt or delinquent nontax debt" has been added.

**Chapter 7 : Financial Debt Recovery E Lambert Rd Brea, CA - MapQuest**

*Debt Recovery Pro strives to leave a positive impact after every interaction whether it is with a client, a debtor, or a departing employee. Doing business today requires fast solutions. Many agencies lack up-to-date technology and cannot provide the quick turnaround that Debt Recovery Pro can.*

Within 60 days of the decision to initiate reorganisation proceedings, the debtor must present a reorganisation plan, which must set out: The feasibility of the reorganisation. The mechanisms for reorganisation. The reorganisation plan can provide for haircuts, extension of terms for payment of debts, sale of assets, merger, change of control, shared administration among debtor and creditors and so on. A judicial reorganisation is permitted if the debtor meets the requirements set out in the Bankruptcy Law. Under these requirements, the debtor must Bankruptcy Law: Have exercised regular business activities for at least two years. Not have been granted bankruptcy in the past eight years, or reorganisation in the past five years. Not have been convicted for any bankruptcy crime. The debtor must provide the following information: The reasons for its financial difficulties. Its financial statements from the last three financial years and one specifically drawn up to the date of filing the judicial reorganisation request. A list of all creditors, with details of: A list of all employees, with details of: A certificate of good standing, issued by the Board of Trade. If no creditor challenges the reorganisation plan, and it does not offend Brazilian law or public order, it is considered approved and binding. At the meeting, the plan will be binding if approved by both: A simple majority of those labour and small enterprise creditors present at the meeting, regardless of the amount of their claim. If the reorganisation plan is not approved, but the following requirements are met, the court can impose the procedure on the opposing creditors: Approval of the reorganisation plan by two-thirds of the classes of creditors. One-third of the creditors in the rejecting class. Judicial reorganisation is an in-court proceeding and is supervised by the: Judicial Trustee and assistants, if any. However, the debtor or his administrators can be removed from the business under the following circumstances: The debtor is convicted for a bankruptcy or economic crime. The debtor acts with fraudulent intent, incurs in excessive expenses, or otherwise jeopardises the company. The Bankruptcy Law provides for a day stay period, during which all claims against the debtor are suspended except for the following, which are not subject to a reorganisation proceeding and can be enforced in separate proceedings filed separately: Claims related to tax liabilities. Commercial claims relating to the conditional sale of goods and real estate, fiduciary trust arrangements, leasing transactions and foreign exchange contracts for future liquidation. The ownership rights and the contractual terms and conditions unless otherwise provided prevail and remain in force. From the date of the reorganisation request, the accrual of interests, penalties, monetary correction and late charges are suspended and only become enforceable if the reorganisation is converted into bankruptcy see Question 7. The procedure generally takes two years and six months Bankruptcy Law: However, in some cases judicial reorganisation proceedings may be concluded in more than two years and six months. After the two years and six month-timeframe, the reorganisation plan shall be observed without any supervision or follow up from the court and the business can continue as normal. After this time, any further breach by the debtor will be subject to individual enforcement or request for bankruptcy. Out-of-court reorganisation is a reorganisation procedure designed to overcome a financial difficulty before a specific category of creditors. The prospects for recovery depend on the classification of the creditor, though it is unlikely for unsecured creditors to recover their debts in full. The out-of-court reorganisation is negotiated by the debtor and certain creditors. A repayment plan is then drawn up, which is confirmed by the court. The following claims cannot be subject to an out-of-court reorganisation: Claims related to agreements for the conditional sale of goods and real estate. Foreign exchange contracts for future liquidation. The debtor has performed its regular business activities for at least two years prior to the application. The debtor has not previously faced bankruptcy proceedings see Question 7 or if it has, the debtor has had all obligations and liabilities under the bankruptcy proceedings judicially extinguished. The debtor has not been granted judicial reorganisation in the past five years or if the insolvent company was classified as a small enterprise at the time of the first judicial reorganisation, eight years. The debtor including its managers

and shareholders has not been found guilty of bankruptcy crimes. Compliance with the reorganisation plan is supervised by the creditors. Creditors bound by the agreement cannot enforce their debt claims by any means, or to file for a bankruptcy decree against the debtor if the debtor complies with terms of the agreement. Creditors who are not a party to the agreement are not bound by any of its provisions and can enforce their respective debt claims separately by any means. There is no time limit for the conclusion of an out-of-court reorganisation proceeding. The procedure is concluded when the agreement is fully settled. If the debtor does not comply with the agreement, the creditors can file for bankruptcy and seek liquidation of the assets. What are the main insolvency procedures in your jurisdiction? The objective of bankruptcy is to: Preserve and optimise the assets, so they can be gathered and sold to repay the creditors. The following can file for bankruptcy: The debtor, which can be a person when conducting business activities or a legal entity. For the court to grant the bankruptcy decree, one of the following must be proved: Performance by the debtor of certain actions that indicate insolvency, such as the: The application for bankruptcy must be decreed by the competent court. Converts debts in a foreign currency to Brazilian currency. Interrupts any statute of limitation. Bankruptcy is an in-court proceeding and is supervised by the: Judicial trustee and assistants, if any. The debtor is removed from control of the business and all assets, business, rights and interests are transferred to the bankruptcy estate. The bankruptcy decree suspends any concurrent proceedings or claims against the debtor, except for claims whose existence and calculation require further evidence. Bankruptcy proceedings have no legal timeframe to be concluded. There are not sufficient statistics on how long a bankruptcy proceeding usually takes. Proceedings are concluded by: A declaration that the proceeds of the auction sale have been distributed according to the rank of creditors see Question 2. The presentation of financial statements and reports of the bankruptcy proceedings to the court, by the judicial trustee. The statute of limitation restarts at the moment the proceedings are concluded, become final, binding and not subject to appeal *res judicata*. The Bankruptcy Law does not prevent the debtor from starting another business. However its obligations are only extinguished: Five years from the date proceedings are concluded *res judicata* or if the debtor has been convicted for any bankruptcy crime, ten years from the date of declaration. Which stakeholders have the most significant role in the outcome of a restructuring or insolvency procedure? Stakeholders Creditors not subject to the formal restructuring or insolvency procedures see Questions 6 and 7 usually have the most significant role, as they can continue to enforce their claims regardless of these proceedings and take advantage in the seizure of assets to recover their claims. Debtors frequently negotiate, or seek a judicial order that imposes that these creditors should also become subject to the reorganisation. Secured creditors also have an important role in the outcome of such proceedings, due to their privileged position and to the fact that they maintain their interest in the *in rem* guarantee unless otherwise authorised during the proceedings. Influence on outcome of procedure Stakeholders usually do not have a material influence on the type of procedure, since the filing does not depend on their prior approval. In addition, since it is common for debtors to file for a judicial reorganisation, the courts tend to authorise the commencement of this type of proceeding, as they are prevented under the Bankruptcy Law from entering into the merits of any financial aspect of the case and can only review that the legal requirements and public order are observed by the parties. Such liability must be duly evidenced in a specific procedure and due process of law will apply. Depending on the outcome of this procedure, these persons except for companies are also subject to criminal conviction for bankruptcy crimes.

### Chapter 8 : Restructuring and insolvency in Brazil: overview | Practical Law

*Debt Recovery Solutions, LLC ("DRS") was founded in February, by seasoned industry leaders with more than 30 years of collection experience. DRS has sustained a determined growth pattern by merging the qualities inherent to a successful recovery effort with the flexibility of advanced technology provided by our DAKCS operating platform.*

Contact Info The age of a receivable is the number one determining factor if the receivable will pay, and how quickly the receivable will pay. In other words, the rates in which accounts are collected are determined mostly by the company placing the accounts rather than who the accounts are being placed with. At Debt Recovery Resources, we provide our clients with individualized, cost-effective collection solutions. The central reason accounts are delinquent is simple. If the vendor acts fast, there is a better chance to recover the money owed AND have the debtor request more product or service in the future. This in turn generates more revenue. So if age is the number one determining factor if an account will pay; then age should be the number one factor in determining which accounts should be placed for collections. So in many cases, nonpayment is due to a business closing or filing bankruptcy. Unfortunate, for unsecured vendors and some secured vendors, when a receivable reaches this point, there is no way to recover the money. In many cases debtors are more protected than creditors. Not all aged accounts go unpaid. So, if an account is still in business, why non-payment? Each account is unique in its own way. In some instances the invoices are being disputed, but MOST disputes are a cover-up for a cash flow problem. The debtor feels that if it passes the blame to the vendor maybe they can get themselves out of the debt at a lessor amount, or not pay all together. Progressive commercial debt collectors use resources to help build financial profiles on debtors when they are placed for collections. In some cases, debt collectors allow their clients access to these resources when new clients come to them looking for credit. Most businesses understand background checks can be a vital tool when determining what businesses are credit-worthy. If your business provides unsecured net terms for service or product, it is absolutely necessary to protect yourself at all cost. As an unsecured creditor, you have no collateral and your options are limited if your client default on their credit terms. Some businesses do not use these methods for a number a reasons. Signing up with a provider of these types of service can be costly. We recommend finding a commercial debt collectors that provide these services for free. Provding our clients with individualized, cost-effective collection solutions.

### Chapter 9 : How to Draft a Statutory Demand - Form H - Debt Recovery

*IFB # Debt Recovery 2 April 5, D. Issuing Office and Vendor-Initiated Contact This IFB is issued by the Lottery's Contract Development Services office.*