



Tenant Debt Collections

FREQUENTLY ASKED QUESTIONS

In our effort to provide you with the best customer service, we've put together this guide to provide answers to a collection of frequently asked questions by our AppFolio clients.



Cost & Fees

1 What is the contingency fee collected by Hunter Warfield?

There are no upfront costs or setup fees to enable the Tenant Debt Collections service or turn over accounts to collections. If no debt is collected, you don't owe anything. Hunter Warfield works for 40% contingency of any funds recovered. The contingency fee increases to 50% plus court costs should Hunter Warfield recommend, and you agree, to legal proceedings to collect the debt.

2 Are there any additional fees?

If a past tenant pays their amount owed via credit card or automated payment, Hunter Warfield is charged fees associated with these transactions by the credit card processor. Transaction fees vary by credit card, typically 2-4%. Hunter Warfield shares the cost of these transaction expenses with you and deducts these fees from the overall collected amount.

3 Can I cancel an account if placed in error?

Yes, a \$25 cancellation fee will be charged for accounts that are withdrawn or cancelled after having been placed in collections for more than 5 days. Additionally, the full contingency fee will be due to Hunter Warfield if payments are received against any of the submitted charges within 90 days following cancellation.

4 If I approve legal action, what are court costs?

If Legal is recommended and approved by you, the attorney will also try to recover the court costs through the suit. Court costs depend on the jurisdiction of the past tenant. Costs typically range from around \$100-\$400. An estimate of these costs will be provided to you before you decide to move forward with the legal process.



Tenant Charges

1 Can I charge the past tenant a collections fee?

By signing up for this service, you agree to not add collection charges to the account.

2 Can I add accelerated rent charges?

It is recommended you avoid accelerating rent charges to the end of the lease. This will only reduce your chances of collecting the debt and may not be permissible under laws and regulations in your state.

3 Our lease allows for us to charge the past tenant fees associated with debt collection in order to collect the full balance due. Can we do that when sending accounts to Hunter Warfield?

As per the terms of your contract with Hunter Warfield, adding additional “collection fees” (charging a past tenant a collection fee based on a percentage of the debt balance rather than actual costs) is not permitted. Hunter Warfield does this to protect your business and make sure you are compliant with all Federal, State, and local laws and regulations.

The debt collection industry is a debtor/consumer-friendly environment where many of the laws protect consumers from creditor unfair, deceptive, or abusive acts and practices. These laws change regularly by state and can make it illegal to add collection charges or other fees to the balance due. Even when these charges are specifically outlined in your lease, it opens the door for lawsuits that become costly for all parties involved independent of outcome. With regard to the addition of collection fees, the risk has become much greater than the reward.

Hunter Warfield has been in business for over 30 years. They rely heavily on their General Counsel and compliance team to ensure everything they do is managed and monitored to the highest standards. In a day and age where lawsuits are an occupational hazard for every business, Hunter Warfield maximizes debt recovery and minimizes exposure to liability.



Sending Accounts to Collections

1 When should I turn over an account to collections?

When you should place an account is relative to the actions you take internally to collect. Once all reasonable actions are complete, accounts should be referred immediately. The longer an account sits with no additional effort, the likelihood of recovery reduces significantly.

2 How long does it take to submit an account?

We've made it easy! The documentation and data needed to turn accounts over to collections is already stored in AppFolio. Click "Turn Over to Collections," and we automatically create a submission for you. Review it for accuracy and completeness, and Hunter Warfield will take it from there.

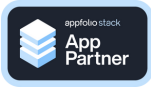
3 Are all types of properties eligible to use the service?

Single family, multi-family, and student housing property types are eligible to use the service. HOA, commercial, vacation, and Section 8 properties are not eligible to use the service at this time.

4 What do I need to send a past tenant to collections?

The primary documentation required to place an account is the signed lease agreement, including any renewals, and an accurate, valid tenant ledger. You will also need to provide some key information about the past tenants, such as SSN and date of birth. If you don't have this information, you will have the option to notify Hunter Warfield that this information is missing.

Additional information, such as an emergency contacts, forwarding address, or employer information, may help to increase your chances of recovery. Other optional supporting documentation include guarantor agreements, tenant release forms, judgment paperwork, detailed invoices, and written correspondence with the past tenant.



5 Why is the 'Turn Over to Collections' task not showing up on an occupancy?

Here is how to **ensure the account is eligible** to be turned over to collections:

1. The occupancy is past and there is a *move-out date*.
2. The balance is *greater than \$100*.
3. The move-out or most recent charge is *within the past 2 years*.
4. The occupancy is a *Residential Lease* (SFR, MFR, or Student Housing)
 - a. Section 8/HUD/Federally Assisted units are not eligible at this time.
 - b. Commercial, Mixed Use, HOA, or Vacation units are not eligible at this time.
5. The occupancy is *not hidden*.
6. There is at least one financially responsible, non-hidden tenant.
7. The occupancy status is not marked as "In Collections". You will also be asked to verify that the account has not been placed with another collections agency.

6 Are there options available for accounts older than 2 years?

No, this is standard practice for Hunter Warfield across all customers. This ensures Hunter Warfield is working on accounts with higher likelihood of being collected. As debt ages, the likelihood of recovery reduces significantly.

7 How secure is the transmission of data and documentation?

Because of our direct integration with AppFolio, the transfer of data is protected and ensured by the highest levels of security available today.

8 How long from sending an account to collections does it take for the attempt of collections to start?

Assuming there are no holds assessed on the account upon coming into Hunter Warfield's system, scoring and evaluation of the account starts within 24 - 48 hours. After that, it is released to the collections floor.



Account Claim Management

1 How will I know the account has been placed?

Once an account is placed in Hunter Warfield's system, you will receive an email confirmation. The confirmation is typically sent 3 - 7 days after the account is placed.

2 What do I do if the former resident reaches out to discuss the past due balance?

It is likely that a former resident will reach out to you once they learn their account has been placed with a collections agency. In order to remain compliant with the Fair Debt Collection Practices Act (FDCPA), it is recommended that you refrain from discussing the details of the account and instead direct the former resident to contact Hunter Warfield directly.

Hunter Warfield contact information for a past tenant will be listed on the collection letter they receive, or you can direct them to call (866) 494-9902, email payhwi@hunterwarfield.com, or use the online service <https://payline.payhwi.com> to resolve their debt.

3 Who do I contact regarding questions on my collections accounts?

Our Client Services team can assist you with account questions, missing information follow-up, statement questions, settlement approval, consumer disputes (supporting documentation required) and direct payment verification. Hunter Warfield Client Services can be reached at (866) 494-9902 and clientservices@hunterwarfield.com.

AppFolio's Customer Success Team will be handling all your questions related to the Tenant Debt Collections service in AppFolio Property Manager, including questions about the feature, how to sign up for the service, how to turn over a past tenant to collections, accounting and reporting questions, and user role permissions. AppFolio Customer Success can be reached via the Help Center in your AppFolio database by selecting "Help & Training" or email support@appfolio.com.



4 Will Hunter Warfield settle my accounts for less than what is owed?

The Tenant Debt Collections feature includes a blanket settlement authority to settle debts for no less than 80% of amount due. It is important to give collectors flexibility to negotiate during a conversation with the past tenant. This helps to increase overall recovery by offering the consumer additional motivation to pay. No further settlements will be taken without your prior written permission.

5 How are disputes handled?

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6 Will Hunter Warfield sell my debt to another agency?

No, Hunter Warfield debt is never sold.



Best Practices

1 Can we take an account back from our current collection agency and submit it through AppFolio?

No, this is standard practice for Hunter Warfield across all customers. Cancelling accounts from a previous collections agency and placing the account with Hunter Warfield puts you and Hunter Warfield at risk of violating Fair Credit Reporting Act (FCRA) and Fair Debt Collection Practices Act (FDCPA) guidelines for consumer protection.

2 If the past tenant disputes charges after the original disposition is sent, are we required to wait on turning the account over to the collection agency?

No, if the consumer disputes the balance with you, you are not required to wait, but it's in your best interest to respond to the consumer in writing and record the documentation to provide to Hunter Warfield. Best practice would be to give the past tenant a week or so to respond to you.

If the account is delinquent, charges are valid and legally owed, and you have a sufficient response, you are welcome to turn over the account right away to the collection agency.

3 Can I make changes to an account once it's been turned over to collections?

Yes, you may make changes to an account once it is placed but this may result in the collection process starting over and/or put you at risk of violating Fair Credit Reporting Act (FCRA) and Fair Debt Collection Practices Act (FDCPA) guidelines. To make changes, contact Hunter Warfield Client Services at (866) 494-9902 and clientservices@hunterwarfield.com.



Payments & Accounting

1 What do I do if I receive a payment from the past tenant after turning over an account to collections?

If you receive a check, send it directly to Hunter Warfield at 4620 Woodland Corporate Blvd, Tampa, FL 33614 for them to process. Even though the check has been made out to you, they are able to process it as they have ownership of the account placed with their office.

If you agree to accept a payment, it is recommended you do not discuss any future arrangements with the consumer. It is important to notify Hunter Warfield Client Services once a payment is accepted to ensure compliance with Fair Credit Reporting Act (FCRA) and Fair Debt Collection Practices Act (FDCPA) guidelines. In your correspondence, include the name of the consumer, amount being paid, type of payment, date received, and updated balance. Hunter Warfield Client Services can be reached at (866) 494-9902 and clientservices@hunterwarfield.com.

2 When do I receive funds for collections paid?

Remittance checks for all payment activity during the previous calendar month are sent out between the 18th-20th of each month, net of collection, transaction fees, and court costs, if any, along with an itemized statement. If Hunter Warfield has not received any payment activity during the month, a statement will not be generated.

Please [click here](#) for instructions on receipting payments from collections into Appfolio.

3 Can I have multiple remittance checks sent?

Hunter Warfield sends one monthly remittance check and statement for any funds collected to your payments address on file. AppFolio's Customer Success Team can assist you in applying payments received. AppFolio Customer Success can be reached via the Help Center in your AppFolio database by selecting "Help & Training" or email support@appfolio.com.

4 Who do I contact with questions about an invoice, statement, or check I received?

Contact Hunter Warfield Client Services at (866) 494-9902 and clientservices@hunterwarfield.com.



Credit Reporting

1 Does Hunter Warfield report to the three major credit bureaus?

Yes.

2 When will the delinquent account be reported to the credit bureaus?

Hunter Warfield will report all unpaid collection accounts to the credit bureaus within 90 - 120 days. In order to remain compliant with the Fair Credit Reporting Act (FCRA), collectors are required to give the consumer a minimum of 30 days to dispute the debt or request verification.

Additionally, Hunter Warfield will hold off on credit reporting as an incentive for the past resident to pay their balance in full. If they cannot collect in the first 90 days, they will report the default account to the three major credit bureaus as a continuation of their collection efforts.

3 Does this affect what is reported to RentBureau?

No, using the Tenant Debt Collections service will have no effect on what you are automatically reporting to Rent Bureau. The Tenant Debt Collections service will have the additional benefits of: 1) reporting unpaid accounts in collections to the three major credit bureaus, 2) negatively affecting a delinquent past tenant's credit score, and 3) providing you the opportunity to recover a portion of your receivables.



Claims & Lawsuits

1 Does it matter if we have submitted the claim for eviction or small claims court?

No, once the eviction or small claims court process is complete, you can turn over the account to Hunter Warfield. Be sure to include any court documents or eviction judgments with your submission.

2 What happens if Hunter Warfield wants to file a lawsuit against the delinquent tenant?

Hunter Warfield may recommend suit when all other options have failed. Only a small percentage of accounts, roughly 10%, are recommended for Legal. Hunter Warfield will only recommend a suit when all other options have failed and the account has been thoroughly screened to increase the likelihood of collection through the legal process.

Hunter Warfield will send you a Suit Authorization form for your approval to proceed with legal action. If you agree, sign the form and return immediately. By signing, you are reaffirming that the charges are accurate to the best of your knowledge.

If legal action is approved the contingency fee increases to 50% plus court costs.

Additionally, as a Hunter Warfield customer, you will have access to their Legal Department to further answer any questions you may have. Direct any questions to Hunter Warfield Legal Department at (813) 283-4514 or consumerlegal@hunterwarfield.com.

Legal Action

1 Do I have to appear in court?

Hunter Warfield has a network of attorneys to file suit nationwide, based on the jurisdiction (current location) of the past tenant. The majority of the time, they file suit and get a default judgment without going to court.

Attorneys can go to court on your behalf. In some instances, you will be required to show up at court. All of this would be coordinated with the attorney ahead of time.

2 Does Hunter Warfield handle the garnishment processing on judgments?

Yes, garnishment and recovering on a judgment depends on jurisdiction and state regulation. The attorney will take action on garnishment. Hunter Warfield's network of attorneys also work on contingency, so they are incentivized to turn judgments into payments.

Legal Action in Collections
When and why action should be taken

When are accounts reviewed?

6-18 Months After Placement

- Prime Earning Years
- Great Attorney
- High Credit Bureau Scores
- Favorable Jurisdiction
- Confirmed Contact

Will Hunter Warfield pursue legal action before month 6?
Yes, when refuses to pay and "cease and desist" arise.

Will Hunter Warfield pursue legal action after month 18?
Yes, when active conversations extends the timeline, jurisdictional laws change, a consumer contacts us and confirms contact info, or to extend the Statute of Limitations.

How are accounts approved?

Hunter Warfield Seeks Client Approval → Gather Necessary Information From Client → Attorney Assignment For Recommendation and/or Starting Legal Collection Process

How much will it cost?
Costs vary by jurisdiction. Any Hunter Warfield representative can provide estimated costs by account.

What happens after approval?

Attorney Acceptance → Filing Costs Sent → Attorney Files Suit → Post Resident Served → Judgment Obtained → Post Judgment Remedies

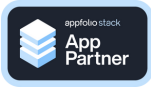
A large volume of payments are usually made prior to court to avoid additional costs. If a consumer ignores a suit, it will often lead to a judgment by default.

What are the benefits to legal action?*

- 30% liquidation on files assigned
- 4:1 return for every dollar invested
- 10-30% boost in total recovery

Regulators continue to tighten what can be done outside of court. Taking advantage of Hunter Warfield's legal program will remove that roadblock.

*Data based on Hunter Warfield property management averages and an engagement of at least 2% of client inventory.



Debt Recovery

1 What is the average recovery rate?

Collection rates vary widely by portfolio and a variety of factors impact results. As a nationally licensed agency, Hunter Warfield will be able to pursue your accounts, no matter where the debtor resides. Hunter Warfield has a 30-year track record of consistently exceeding the national average recovery rate of 8-12% in the residential space.

2 How can I increase my chances of recovery?

Collection rates vary widely by portfolio and a variety of factors impact results. Nationwide average recovery rates tend to be low and decrease as accounts age. Some of the leading causes of debt, like economic factors and demographics, are out of your direct control.

However, there are steps you can take to help improve your chances of recovery, including:

- **Gather comprehensive information** during the application stage, including employer information and emergency contact, to help locate the past tenant after move out.
- **Adhere to internal best practices** for screening to reduce your risk of bad debt and increase your odds of recovery.
- **Implement consistent policies** on all delinquent accounts, as most problems occur when special cases are made to not adhere to internal best practices.
- **Keep complete and accurate data and supporting documentation** on your tenants in AppFolio to reduce the time spent resolving disputes and prevent delays in recovery.
- **Act quickly to turn over accounts to collections.** This is one of the most important factors in successful recovery. The older the account, the more difficult it tends to be to collect, so it's recommended to have an internal procedure in place to turn over delinquent accounts within 30 days, or once all reasonable internal efforts have been exhausted.
- **Be assertive, but also fair.** Any unnecessary friction between you and the former resident can hinder communication and resolution.