



Some Repo, Remarketing Ideas to Drive the Best Results

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CITRUS HEIGHTS, Calif. — Do you hear the alarm bells ringing in credit union board rooms across the nation? As deficiency balances increase, credit unions are searching for better ways to dispose of their inventories quickly and at the highest possible net return.

"Credit Unions are trying all sorts of creative ways to get the most out of their repossession inventory," explained Lance Gartner, chief executive officer of Repo Remarketing, a nationwide liquidation service.

"Although some single successes can be found, our research shows that using industry standard methods is the most reliable process over the long term," Gartner continued.

With that position in mind, Repo Remarketing offered some guidance on the matter.

- Repossession cost analysis: Carefully consider if the inventory is worth recovering.
- Recovering the inventory: Choose repossession agents that have the highest success ratios as well as insurance, bonds and licenses that meet local and state requirements. Don't forget to that the requirements will need to be reviewed with some frequency.
- Reliable communication: Look for automated repossession progress updates. Determine a frequency that meets your busy schedule with prompt notification of repossessions a must.
- Inventory out of your area: Accurate information on the recovery laws in the area where the inventory will be repossessed will be needed.
- Once repossessed, move to sale quickly: Reduce storage fees and eliminate unnecessary depreciation costs.

Company officials also offered a few recommendations when it's time to remarket the collateral.

- Open up your market: Auditors and boards of directors are looking for the commercial reasonableness of the repossession sales. You will want to put your repossessions in front of a competitive collection of buyers with an immediate need.
- Use industry standard data to validate the value and condition of your repossession: Make sure that the inspection process is comprehensive, from a source that represents your interests and knows the differences between the value resources such as Kelley Blue Book or Black Book.
- Sell it quick please: Quick is definitely better to keep the deficiency balance at its lowest possible level. Consider programs that can efficiently liquidate in less than 30 days.
- Look for technology: You should be able to track the progress of your vehicles from repossession through the sale process from your desk.
- Find an advocate: If you use an outside remarketing company, make sure that the company representing your repossessions has your credit union as its first priority.

"The significant increase in repossessions has led credit unions to ask themselves whether their staff efforts would be better used in the collection process rather than trying to become experts in the repossession and remarketing cycles," Gartner pointed out.

"Since the automotive industry is complicated, hiring the right company to represent the credit union interests is the single most important key to success," Gartner added.

The credit unions of the Washington and Arizona Credit Union Leagues are liquidating with excellent results following the endorsement of Repo Remarketing as a partner. The current economic climate made it critical for the leagues to research potential partner solutions that could help credit unions streamline their process and to efficiently move inventory through the repossession and remarketing cycles with the best possible returns.

RoxAnne Kruger, of the Washington Credit Union League, has stated that the response to the Repo Remarketing program is the best that she has seen for a new business partner release.