

Bridgeforce Solves Challenge of Consumer Credit Counseling in Loss Mitigation Strategies During Mortgage Crisis

BACKGROUND

Customers in Need

During the financial crisis of 2008 and subsequent fall-out, most customers felt **helpless** and were in need of support; not only in the form of treatment options to weather their unique hardship, but also often in the form of **financial guidance and education**.

Many consumers, whether it be out of panic, frustration, or simply embarrassment, eventually **stopped responding** to repeated collections outreach by their bank (as evidenced in low right party contacts and increasing roll rates).

Missing the Holistic View Didn't Help

Attempts to put customers on internal hardship programs, at times, were not sufficient, namely because it was only solving for one account.

Financial institutions with whom Bridgeforce worked during the crisis were instructing their agents to **avoid offering advice** on credit management since that was not their core business and they did not want to invite liability risk.

Yet, intake financial assessments were still necessary in order to right-fit treatment options (e.g. short-term/ long-term hardship loan modifications). This resulted in a very **fragmented and inconsistent** approach to helping consumers.

KNOWLEDGE, GRIT & STRATEGY IN THE EYE OF THE HURRICANE

Bridgeforce was at the center of the mortgage crisis helping the industry assist borrowers on many levels. This included leading rapid response solutions for **loss prevention for over \$2 trillion** in loans across several lenders during the Great Recession. As part of this effort, Bridgeforce drew on collective experience to design and **execute strategies** that took a **holistic view** of each individual consumer's unique situation.

Developed *the Playbook* for Consumer Credit Counseling

A relevant component of this approach included a program to work with consumer credit counseling agencies where appropriate, recognizing the importance of providing consumers with all opportunities to be successful in **paying off obligations** while recovering from the hardships the financial crisis had on them. Bridgeforce subject matter experts, both at Bridgeforce and during their tenure while working for some of these financial institutions, **implemented solutions** to achieve these objectives.

Program Ensures Success and Customer Satisfaction

Most noteworthy, one bank embarked on a program to work with three nationally licensed credit counseling agencies and began warm transferring customers directly to counselors. To ensure the greatest success, a program was built into the collections software to prioritize transfers to credit counseling agencies before working an internal program when customers had multiple unsecured creditors. The results were **higher success rates, greater customer satisfaction**, and **lower reputational risk**.

Bridgeforce Counseled Government Officials

Concurrently, members of the Bridgeforce leadership team, including co-founder, John Sanders, visited Capitol Hill to meet with several members of Senate staff by invitation. This was to **provide insights** and strategies that could **inform the broader policy making** as legislatures feverishly worked to navigate the crisis at a national level.