

## RESOLUTION.....SAME AS REPOSSESSION

I am often asked by clients and other recovery specialist exactly what does the phrase **“Resolution...same as repossession”** actually mean and what a **“Resolution”** is.

I would like to explain this statement by first stating that when a request is made by a lender for a repossession of mortgaged collateral and an assignment is placed with a professional recovery agent one of three things are going to take place.

**One**, the mortgaged property is located and recovered; this is **“Repossession”**.

**Two**, the mortgaged property either cannot be located or due to extenuating circumstances cannot be recovered without “breach of peace” and the client or recovery specialist decides to cease further attempts to recover the mortgaged property. This is usually referred to as a **“Close”**.

**Three**, the recovery specialists unable, for various reasons to affect a peaceable self help recovery and contact with the consumer is warranted. This may be a case where the vehicle is secured inside a garage, never present at the given address or it may be the consumer just wants to talk with the lender before they surrender the vehicle. At this point the lender has control of the situation and may decide to let the consumer “pay current” and keep the vehicle. The recovery agent has no control over what the lender decides. In most cases a knowledgeable lender, knowledgeable of the conditions of his contractual arrangement with the consumer, will request the consumer to pay the past due payment payments plus the recovery agent’s charges. If the consumer complies then there has been no cost whatsoever to the lender and his account is now current. It also is the lender’s right in most cases to add the recovery costs to the balance of the consumers account so again there is actually no cost to the lender. This action is commonly recognized in the lending industry as a **“Resolution”**.

Usually a **“Resolution”** is the most desirable of the three results if the consumer’s past pay records so warrant. And it must be noted that the lender is the one who makes the decision to enable the consumer to “pay current”.

Why then in this win-win situation, would not the recovery agent be entitled to his full recovery fee? He certainly has earned it by making a direct face to face contact with the consumer, which in itself can be extremely dangerous, and demanding surrender of the mortgaged property. This action on the recovery agent’s part is the catalyst which has brought the lender’s accounts current and once again put it in good status.

This is why we use the phrase **“Resolution...same as repossession”** and why the charge is the same for each.