

## Are you "license challenged"?

*"How do I get started?" This question is asked of me often and here are a few of the answers.*

*By Phillip W. Duff, President and Founder,  
Lighthouse Consulting & Asset Management, Inc.*

### Where is it legal for me to collect debt?

I am often asked to help clarify this question by new buyers. They want to buy debt but are currently only licensed as a debt buyer or agency in their home state. They know there are state exemptions for licensing but do not know which states grant the exemptions. Worse yet, they want to buy a national file and someone else has told them they don't even need licensing.

The following is a list of States that require a license to be acquired by all debt buyers who will own and collect debt in that State: **AK, AZ, DE, FL, HI, IL, IN, IA, MA, MD, MN, NJ, NV, TN, TX, UT, WV, WI, WY** and the cities of **Buffalo** and **New York, NY**. If you purchase charged off debt **only** then add: **AR, CO, ID, ME, NC** and **NM** while **WA** and **OR** only require a license if the original creditor can repurchase the accounts (recourse).

So I guess you are asking, "What is left if I am only licensed in my home state to buy and collect debt?" **CT, MI, NE, and ND do not require licensing for debt buyers.** The states that do not require a collection agency license are **AL, CA, DC, GA, KS, KY, LA, MS, MO, MT, OH, OK, PA, RI, SC, SD, VT** and **VA**.

This list of states should not be taken as legal advice as I am not an attorney. The laws differ based upon the type of debt and where you are located and licensed. This is a good baseline, however, from which to create a strategy to purchase debt.

Let us find the portfolio you want to buy. Just call us and we will find it for you!

### Where and How do I Buy Debt in These Geographical Locations?

Now that you know where you can buy and collect with minimal licensing issues how do you find a portfolio of debt that meets this criteria? There are many brokers and resellers who will segment by state and a few will segment by county or Zip Code. Remember though, the deeper segmentation you ask for the higher the price will be.

Many attorneys have realized this and expanded their practice to include other States in order to make their buying power stronger. Some have joined up with other attorneys to buy in many States and split the debt by State post purchase.

### How Will You Manage the Process?

Most new debt buyers manage the process of investors, portfolio purchase, placement to agencies and attorneys via a spreadsheet or some type of accounting based system. This works well when you have 3 investors and 5 portfolios. But, if you intend to grow and have many acquisitions, recourse, filing fees and investors over many pools of debt it will be difficult to manage.

There are only a few software systems out there that will track investors, placements, recourse, agencies and attorneys as well as track fees and costs. Most are far too expensive for the new debt buyer but a must if they want to grow painlessly.

### What are My Options to Get Started With a Scaleable Business Plan?

Lighthouse Consulting has worked with many new buyers and can help you, too. We will share information on laws that will govern you based on your location and collection desires. Lighthouse can help you find the debt that suits your specific situation. We often take orders from clients who are looking for debt by a specific state or location. We can also help you find a portfolio that is collectable for "licensed challenged" buyers.

Lighthouse can help you build a scaleable business model with software options that can be leased with quality paper to start the process. We also help buyers find collection partners to help collect the debt.

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# Lighthouse Beacon Alert

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Finding good vendors that will help you reduce cost and creating a business plan that takes advantage of your debt purchases is also part of the range of services Lighthouse offers.

If you are interested in building or expanding your debt purchase arm and would like a bit of advice and assistance Lighthouse Consulting is here to help you. Please call us at 877-819-1962 for more information. Or email us at

[info@lighthouseconsultinginc.com](mailto:info@lighthouseconsultinginc.com)



## Debt Buyers:

***Lighthouse now offers a "Portfolio Locator" service!***

*Lighthouse Consulting is now available to find the precise portfolio you desire.*

If you are an attorney or debt buyer interested in buying debt, Lighthouse Consulting can locate the portfolio that will meet your exact needs.

Whether you are an attorney buying in a specific state or a "license challenged" agency wanting to buy debt we will discuss your portfolio requirements and then go to our sales partners and have a portfolio created for you that is personalized to your companies needs.

All you have to do is tell us the geographic region, type of debt agency level, litigation requirements, balance ranges, pricing requirements and any other qualifiers you desire. Lighthouse Consulting will also provide a due diligence file for your approval.

Lighthouse Consulting has partnered with several well respected re-sellers and debt buyers in order to provide this service. Clean chains are guaranteed.

Please give us a call and lets discuss your portfolio needs, call Phillip W. Duff at 877-819-1962 X 2



## Portfolio Spotlight

- \$1M in Chase, Metris and Household located in AZ, NV and UT 2003 and 2004 charge-offs
- Mixed card file of Fleet, Chase, Providian and others, 2001 CO dates \$2.1M in face for 1 cent
- Mobile home file for less than 1 cent with all docs included on CD fresh debt with short, clean chain
- US Bank loans available by State for around 5 cents.
- \$19M in MA judgments
- \$30M in OOS portfolio available cheap, 1995 CO dates (12-16BPS)
- Many portfolios available by State for the litigation model
- Over draft checking files available by State or region, \$500 average balance for around 5 cents
- Let us find the portfolio you are looking for, if it is not listed here we can find it for you just call
- \$19M in face of in statute mixed cards lots of Northeast accounts. This file is priced to move fast—the sellers need cash. (In Stat)
- \$30M of performing unsecured loans, 58 months left on these recently booked loans average FICO score of 740. 100% performing portfolio. Major Bank originated the loans

Lighthouse Consulting can help you sell your portfolio!