

Is there a better debt?

Most debt buyers are only buying Credit Card Portfolios but what about the other asset classes?

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Other Asset Classes

With most debt buyers concentrating on the credit card industry a few buyers are making larger returns on alternative classes of debt available for purchase. With most auto financiers now entering the sale market and many smaller classes of debt also entering the marketplace it is a good idea to look at these as opportunities for increased returns.

Banks are now selling other products such as DDA or overdraft checking accounts and these classes are being ignored by most debt buyers.

Pricing for Alternative Classes of Debt

Due to the fact that the majority of all debt purchases are in the credit card space the pricing in other classes of debt is not as competitive and is also not priced as high. Because more historical data is readily available on the different credit card products that the banks are selling it is easier to project returns from these products.

But the recent pricing on the credit card products has increased to a point that has reduced the returns debt buyers are able to produce. The debtors are smarter and the agencies are producing industry high for liquidation rates so there is little room to increase returns

Since the focus of the debt marketplace is on credit cards the other asset classes have less bidders and the sellers have lower expectations for the pricing of the portfolios. The down side is that the average debt buyer is not able to forecast the liquidation curves as well due to lack of historical data. Since most buyers are answering to investors they tend to shy away from these asset classes as they have trouble convincing the investors to purchase the portfolio due to lack of historical forecasting.

Pricing These Asset Classes

The advantage the average debt buyer has in purchasing these alternative classes of debt is the fact that the competition is less to purchase and the seller has no preconceived expectations. This lends to lower pricing but how do you know it is a good deal? Some of this is just faith and general knowledge of liquidation rates but there are other resources to help forecast the returns. Consultants can be very helpful as they have many clients and therefore are privy to many collection styles and asset classes. A good consultant can provide his client reliable numbers from their experience with the product or by asking other clients for some data, something the average debt buyer cannot do. Consultants can ask questions of your competition and get an answer where you will be shunned for asking.

What classes are available?

Medical, bad checks, payday loans, overdraft checking accounts, prime and sub-prime auto are a few of the classes that are making a rise in the debt marketplace. Lighthouse Consulting has been brokering the sale of some of these classes and the buyers have been making returns above what is provided from the credit card industry. If you are interested in these portfolios contact us.

How Do I Value These Products?

The difficulty most debt buyers will face is how to value the portfolio if you have not worked the product before. Although a gut feeling is always good for a seasoned buyer but the consultant can help you to value the product and possibly get liquidation results from a previous buyer of the same product.

I also suggest that buyers make a smaller purchase if possible and see how the product performs with their processes.

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The risk is often overcome by the end result when buying these portfolios with extreme competition in the credit card space other asset classes are becoming more interesting.

If you are interested in reviewing some alternative portfolios please contact us.

Contact us at

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or 904-687-1687

Lighthouse Consulting has changed it's phone number the new number is 904-687-1687 Please note this change.

Lighthouse Consulting has partnered with Oakley Duff Group to better serve it's clients, call us so we can explain how this change can benefit you in your consulting needs, debt purchase and sale and vendor selection as well as new services such as financial assistance.



Contact Phillip W. Duff at Phil@OakleyDuff.com or 904-687-1687

Please visit www.PortfolioFinder.net to get your buyers data in our data base.



Portfolio Spotlight

- US Bank DDA files available by State, 0 agency and very collectable, average balance around 1K.
- 0 agency sub-prime auto file, this file is a winner, direct, lots of collateral still at large (29%) and all in stat, docs included, seller wants to sell quick and this is issuers first sale. 25% of file is in GA
- First Merit DDA files all in OH hot stuff!
- Metris flow available by State a few States remain.
- Beneficial loans ready for litigation, IL, MO, KY, LA, GA and VA
- Mainly OOS auto file with all docs included, this file direct from seller has not been worked since Charge-off date. Direct from issuer and will sell cheap!



Lighthouse Consulting has many buyers eager to bid on your portfolios. We can get the price you're asking for! Contact us at 904-687-1687 or Phillip W. Duff can always be reached at his cellular number 904-347-5901.

Lighthouse Consulting can help you sell your portfolio!