

Can You Make Money With Judgments?

Collecting judgments is very difficult. I should know, I do it for a living. It is much more complicated than these judgment courses would have you believe.

First, you need a way to find the judgment holders. Second, you need to market your services and have the judgment holder sign an "Agreement of Assignment."

Third, and most importantly, you need to find the debtor and his/her employer. This is where the really difficult part starts. We start by finding a Social Security number on the debtor through a online database we subscribe to. The original judgment holder hardly ever has this. Then we take that and do an address update to locate the current location of the debtor. Then we send out "pretext letters" that hopefully generates a call to our "trap line" which identifies the location of their call (during business hours it identifies their employer). Then we contact the debtor to work out a repayment plan. If they blow it off, we garnish their wages.

This business is a total numbers game. Out of every 100 judgments we market for (usually send out letters to, say, 20 judgment holders that have 5 judgments apiece), we will only get 3.6 debtors to repay us. The math is as follows:

We market for 100 judgments every day. With a 20% direct mail response, we pick up 20 judgments every day. (We refined our marketing approach which took over a year). Once we have the 20 judgments, we will find a Social Security number for 75% of the debtors. Now we are down to 15.

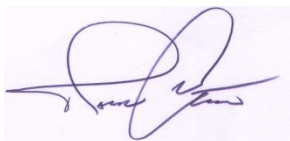
We take these 15 Social Security numbers and get a good and usable address for the debtor 60% of the time. (Remember, these are people who are many times hiding from their creditors). Now we are down to nine.

We send out a pretext letter to the nine which basically induces an action from the debtor, i.e. a phone call for a new credit card or found money. They call into a special 1-800 line, called a "trap line" which always identifies the number the debtor calls from, even if they block their number, or if it says "Private Caller", "Out of Area", or "unavailable" like standard Caller ID. We have them call this number between 11:00 a.m. and 3:00 p.m. so they hopefully call us from their place of employment. We have therefore "trapped" their number which has identified their employer. We get a 40% response from these pretext letters inducing a call to the trap line. We are now down to 3.6 debtors that we call for repayment. If they will not repay, we garnish.

I am not trying to scare anyone off. I am just warning you that this is a very difficult business and takes a lot of refining and adjusting to find out what works. I hope none of you reading this wastes your money on one of these courses like I did. Nothing I currently do today that is successful was learned from these courses.

If you have questions on buying or selling a note or more information on buying judgments, please visit www.National-Note-Buyer.com and contact me.

Thanks for your time,



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