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## Top 12 Debt Collection Interview Question & Answers

### 1) What are the responsibilities of bill collectors?

Responsibility of bill collector includes

- Identifying customers with back due accounts and notifying them by email or telephone
- Negotiating repayment plans, maintaining electronic account and collection records
- Referring customers to referrals to professional debt counselors
- Forwarding statement of customers to legal bodies to take actions

### 2) What are the skills required to be a bill collector?

Bill collectors should be good in communication and negotiations skill as they have to deal with customers who are in stressful financial situations.

### 3) What bill collectors can't do while calling customers for debt collection?

Bill collectors can do the following things

- Using obscene or abusive language
- Harassing customers with repeated calls
- Calling before 8 am onwards or after 9 p.m.
- Giving the wrong amount of your debt
- Calling at office hours even if you asked not to call
- Sharing your debt information to others
- Falsely claiming himself as law enforcement official or credit bureau representative
- Threatening unnecessarily to sue you or seize property unless they actually plan to execute it

### 4) What is the debt recovery procedure?

- Contact the customer and remind about their payment politely
- Contact with an overdue payment reminder
- If the customer still fails to pay the payment as per the terms of the payment, send them a final notice
- Even after sending a final notice if still there is no response from the customer, try to make direct contact and ask for payment again
- After failing all options, if the customer still resent from payment then send a formal letter of demand. This could be the last option as it may spoil your relationship with the customer.

### 5) What advice would you give to the customer to avoid bad debt?

Bad debt occurs when the customer ignores small things like

- Checking of business and background of the client before offering credit
- Setting safe customer credit limits
- Release good only once the payment is cleared
- Before shipping, any goods wait for a direct deposit payment to clear
- As soon as a job is done send invoice to the responsible party
- Give all information on your invoice about the mode of payment
- Stay in regular touch with your client
- For early payment of bills offer a small percentage discount



## 6) What all ways a bill collector can collect his debt from a customer?

- By direct communication with the debtor
- Filing a lawsuit against the debtor
- By taking custody of the property or selling customer property
- By hiring debt collection service

## 7) What is the Fair Debt Collection Practices Act?

It is an act which is prevalent and valid in the U.S. and it creates guidelines according to which the bill collectors may conduct business, and it also determines the rights of consumers involved with bill collectors.

## 8) According to, Fair Debt Collection Practice Act, who are the third parties that the bill collector, can deal with while trying to collect a debt?

Third parties include

- The client or consumer
- The client's attorney
- Client's reporting agency
- The Creditor
- The Creditor's attorney
- The debt collector's attorney

## 9) Mention what are the excuses customer usually makes to get away from debt payment? How to deal with that?

Customers usually have excuses like

- **A cheque is in the post:** Ask him to send a copy of cheque through mail and inquire about the cheque number, date and what name the cheque is issued. If they are telling you the truth then, it will provide you all the facts you asked for and if not then probably they are lying
- **Not received any statement, notice or any invoice:** It is the most common excuse you will face. Ask them to give their address and make a request to pay the debt on that day itself.
- **Account department operates only at 9 am to 12 pm one day a week:** In such cases, think about the company size, is it really big to have an accounting department. And if yes, try to contact the director or partner of the company they can process your payment.
- **The debtor is never available:** Try to get personal contact number through which you can reach the debtor if that is not working send a warning letter about the payment to the debtor's address, and they should call you back.
- **Cash flow problem:** If the client is really facing cash-flow problem ask him to pay the

amount in small installment if he is still resentful about paying the debt than refer them to a debt counselor. If the problem is temporary, then give him some time to overcome his problem but time should not exceed to a longer duration.

- **The signatory is passed away:** Nothing much can be done in such cases unless you have proper legal paperwork that states the third party name for the payment if anything goes wrong with the main party.
- **The account has already been paid:** If the debtor gives such excuses then try to retrieve all the information like which bank account, date and day of the payment deposited, request to mail a copy of deposit slip, etc. If he stammers anywhere while giving information, then get alert it's a red flag.
- **Too busy:** Show appreciation to the debtor that keeps him busy, and politely ask them to settle the payment without any delaying as it is the best interest for him.

## 10) Before filing a lawsuit against debtor what all things need to be considered?

Things to be considered before filing a lawsuit is

- Is your claim large enough to sue, as most attorneys in U.S will not file a lawsuit under \$1000 and even \$2000
- Is debtor active in business or job
- Find the correct address where you can send a legal notice to the debtor
- Check whether debtor holds up enough cash or property to pay the debts
- Some debtors won't pay you unless legal action is not held, so hire an attorney who has experience in such cases
- If the client has the upper hand then always go for a settlement, as they have rights to counterclaim against you for damages
- Can you provide enough proof or documentation that substantiate the debt
- Will you be able to present a witness if needed
- Does the cost include the warrant filing a lawsuit

## 11) What is a letter of demand?

A "letter of demand" is usually issued by a bill collector to the customer, stating about the filing a lawsuit if the debtor does not make the payment in the given period.

## 12) How can a bill collector contact debtors?

Bill collectors can

- Make at least three or more contacts per week by phone or letter
- In one month can make more than 10 contacts by any other mean like e-mail
- Make a face to face contact more than once a fortnight