



## **Collections Firms Report Higher Collection Rate among Apartment Renters who use SureDeposit**

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By Eugene Gilligan, Contributing Editor

Livingston, N.J.—Residents who enroll in the SureDeposit program are more likely to pay their lease-related debts in some balance segments than those who do not, according to data analyzed by two leading collection firms that serve the multifamily industry.

SureDeposit provides surety bonds as a security deposit alternative for the multifamily industry.

According to ResidentCheck, a national provider of resident screening, pre-employment screening, and multifamily collections, collections among debtors owing money to SureDeposit can be as much as 25 percent higher than for similar sets of debtors owing money to apartment owners or managers after having paid a traditional security deposit.

Renters who accept enrollment in the SureDeposit program by an apartment owner agree to pay SureDeposit a one-time non-refundable payment of \$175, and SureDeposit will then undertake the collection process for excessive damages and/or skipped rent on behalf of the landlord if needed, although SureDeposit uses collection agencies for these duties.

In a statement on the collection firm's findings, Jorge Baldor, ResidentCheck's president, attributes the improvement in collection partly to the fact that former residents may feel a more stringent obligation to a third-party surety, such as SureDeposit, than to a landlord.

Joe Lackey, president of National Credit Systems, a national debt recovery agency for the multifamily industry, says in a statement that for debtors owing between \$600 and \$900, the difference in recovery rates is significant, and attributed that in part to the fact that the terms of SureDeposit's surety bond are straight forward and leave no room for interpretation.

Speed also may play a large part, says Dan Rudd, SureDeposit's Co-Founder and CFO. A leasing agent may keep a "troubled file" on his or desk for weeks, or perhaps months, since the collection success rate only ranges from 12 to 20 percent. However, since SureDeposit will pay the landlord quickly and pursue the claim, that leasing agent is likely to send that file to SureDeposit in short order, he says.

Statistics show that for every week that passes, the collection of money owed becomes less likely, Rudd says.

More landlords are offering the SureDeposit option to renters, Rudd says, and he believes that lower apartment occupancy rates are partly responsible.

“Landlords have been very receptive over the last couple of years,” he says. Anything that can lower the total cost of moving for renters will likely get a long look from landlords in tough economic times, he says.

SureDeposit, on the eve of its 10th anniversary, has no plans at the present to roll out any new initiatives.

“We’re going to stick to our knitting,” Rudd says.