

PennCredit

916 South 14th St. • Harrisburg, PA 17104

December 29, 2014

City Clerk
City of Crossville
392 North Main Street
Crossville, TN 38555

Ladies and Gentlemen,

Penn Credit is pleased to have the opportunity to demonstrate our experience and understanding of the City of Crossville's debt recovery needs. Penn Credit provides collection of delinquent court fee and fines nationwide. Our vast and intricate understanding of the challenges and opportunities surrounding the collection of municipal court debts will be a benefit to the City.


Penn Credit has been performing collection services for more than 27 years, including court collection services for clients similar in nature and scope to the City, such as the municipal courts of Secaucus, Hackensack and Passaic in NJ; the Clerks of Court in Palm Beach, Miami-Dade, and Orange Counties in FL; the Clerk of the Circuit Court of Cook County (Chicago, IL); as well as a recent award with the California Judiciary for statewide court collections.

Our successful relationships have been built over the years by remaining focused on the needs of our clients and providing a superior level of service and responsiveness. We maintain membership in ACA International, are PCI-DSS compliant, are annually SSAE16 SOC 1 Type II audited and maintain an A+ rating with the Better Business Bureau.

Our extensive court industry participation includes participation with the National Association for Court Management (NACM), the Mid-Atlantic Association for Court Management (MAACM), the Pennsylvania Association of Court Managers (PACM), Texas Court Clerks Association (TCCA), Texas Municipal Courts Association (TMCA), the National Center for State Courts Technology Conference, and the Florida Court Clerks and Comptrollers (FCCC).

I, Thomas F. Foley, Jr., Chief Operating Officer of Penn Credit, am authorized to legally bind Penn Credit and am designating Rhett Donagher, Manager of Sales and Marketing, as the primary contact for this proposal. He can be reached by mail at 916 S. 14th Street, Harrisburg, PA 17104; by email at rhett.donagher@penncredit.com; or by phone at (561) 371-2937.

Sincerely,



Thomas F. Foley, Jr.
Chief Operating Officer

Phone (800) 800-3328 • Fax (717) 238-1370 • www.penncredit.com

EXECUTIVE SUMMARY

Established in 1987, Penn Credit is a collection industry leader, dedicated to recovering debts in both the public and private sector. Under the leadership of Donald C. Donagher, Jr. (CEO) and Richard S. Templin (President), Penn Credit has experienced consistent growth since its inception and has developed into one of the leading government collection vendors in the United States. Penn Credit specializes in debt collection solutions; and we pride ourselves on our efficient collection methods while maintaining a professional presence.

As a national organization, we utilize industry specific strategies and services, within the limits set forth by state, federal and the business rules of our clients, to deliver results that improve our clients' bottom line through accelerated cash flow, resolving cases, reducing bad debt expense and write-offs, as well as improving consumer service. Our ultimate success is attributed to the use of technology to improve the collection process and a strong commitment to service and client relations. Our proposed collection plan for the City includes the use of strategic letters and phone calls, our seasoned collection staff (including bilingual collectors), and our proprietary "waterfall" skip tracing methods.

Penn Credit's highly trained collection staff, qualified and experienced managers, and outstanding IT department will work in concert to provide the City with the highest yield returns, and we are prepared to work with the City in an effort to enhance the quality of the City's results and service. Penn Credit is constantly reviewing our technological processes to maximize ease of use for our clients. For example, we recently launched a new version of our client access portal, allowing City staff to quickly obtain a variety of supplemental reports, such as payment analysis and client statistics summaries.

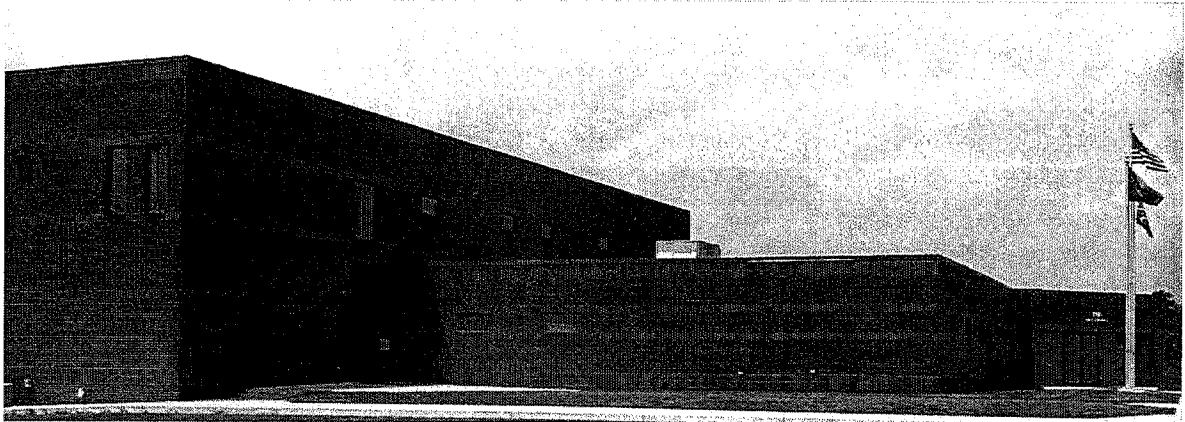
Management Plan

Penn Credit will focus on the current and future needs and requirements of the City. We will customize a flexible work plan that will help us exceed City-specific objectives and goals. Penn Credit is a leader in the collection industry due to developing collection strategies for each individual client as follows:

- Developing a strategic collection policy to meet the City's goals
- Reviewing and understanding the City's policies and procedures
- Validating contract work expectations for state and federal compliance
- Evaluating trends and growth opportunities
- Accommodating future City requirements

PennCredit

Service • Integrity • Results



To provide the best results for our clients, Penn Credit will utilize our expert resources. Our management team develops and customizes all collection strategies and training programs. Penn Credit will ensure your satisfaction as a client through superior service and responsiveness and will be aided by our in-house technology team. Our IT team will provide secure, safe access to customized reports and analytics designed specifically for the City.

Through active participation with industry organizations, Penn Credit remains at the forefront of providing the latest collection products, technologies and customer support tools. Our successful relationships have been built over the years by remaining focused on the needs of our clients. Penn Credit maintains membership in ACA International, is PCI-DSS Compliant, is SSAE16 SOC1 Type II audited, and maintains an A+ rating with the Better Business Bureau.

What sets Penn Credit Apart from our Competitors:

- More than 27 years experience collecting government debt
- Professional collection staff trained in government debt collections
- Experience interfacing with a variety of government entities
- Long term collection relationships with our continued clients
- Collections and IT systems developed and maintained in-house
- Hands-on leadership participating in regular strategy reviews
- Established corporate structure ensures effective communications between Penn Credit and the City
- Regular meetings to evaluate trends, collection results, and program improvement based on joint review efforts and solutions
- Strict compliance with state and federal collection laws
- Smooth transition of accounts via proven implementation processes
- Uninterrupted, seamless transfer of business
- Call analytics through CallMiner



PennCredit

Service • Integrity • Results

8817533
6274

State of Tennessee

TENNESSEE COLLECTION SERVICE BOARD
COLLECTION SERVICE AGENCY
PENN CREDIT CORPORATION

*This is to certify that all requirements of the State of Tennessee
have been met.*

ID NUMBER: 00001041
LIC STATUS: ACTIVE
EXPIRATION DATE: 11/04/2015



IN-1313
DEPARTMENT OF
COMMERCE AND INSURANCE

CEP001

PENN CREDIT'S EXPERIENCE WITH COURT COLLECTIONS

Technical Understanding of Court Collections

Penn Credit maintains membership in ACA International (American Collectors Association). Penn Credit is an active participant with the Mid-Atlantic Association for Court Management (MAACM), National Association for Court Management (NACM), National Center for State Courts (NCSC), the Pennsylvania Association of Court Management (PACM), the New Jersey League of Municipalities (NJLM), the Florida Association of Court Clerks and Comptrollers (FCCC), Texas Court Clerks Association (TCCA) and Texas Municipal Courts Association (TMCA).

These associations provide Penn Credit and our clients with relevant industry information, as well as the opportunity for Penn Credit executives to contribute to the industry: Penn Credit's President Richard Templin and Vice President of Client Relations Dale Brumbach presented their expertise at the NJ League of Municipalities' *Collection of Municipal Court Fees* program.

Court management software interfaces

Through our relationships with numerous court clients, Penn Credit has demonstrated our ability to link to and communicate with a variety of court management systems, such as Showcase by Aptitude Solutions, CourtView, Clericus, Benchmark by Pioneer, Odyssey by Tyler Technologies, the State of New Jersey AOC's ATS/ACS system as well as the Pennsylvania AOPC's CPCMS platform.

Penn Credit's Court Collection Experience

- Allegheny County Department of Court Records (PA)
- Bay County Clerk of Courts (FL)
- Citrus County Clerk of Courts (FL)
- City of Cody Municipal Court (WY)
- Clerk of the Circuit Court of Cook County (Chicago, IL)
- Collier County Clerk of Courts (FL)
- Duval County Clerk of Courts (FL)
- Glades County Clerk of Courts (FL)
- Highlands County Clerk of Courts (FL)
- Hillsborough County Clerk of Courts (FL)
- Leon County Clerk of Courts (FL)
- Manatee County Clerk of Courts (FL)
- Miami-Dade County Clerk of Courts (FL)
- Palm Beach County Clerk of Courts (FL)
- Okaloosa County Clerk of Courts (FL)
- Orange County Clerk of Courts (FL)
- Osceola County Clerk of Courts (FL)
- Pinellas County Clerk of Courts (FL)
- St. Lucie County Clerk of Courts (FL)
- Santa Rosa County Clerk of Courts (FL)
- Sarasota County Clerk of Courts (FL)
- State Court of Fulton County (GA)
- Wakulla County Clerk of Courts (FL)
- Westmoreland County Clerk of Courts (PA)

In 2011, the State of New Jersey opened up court debt collections to outside vendors creating a vehicle for outsourcing and collecting. Penn Credit has been awarded sixteen (16) individual contracts through the competitive bid process to date, including the Boroughs of Haddon Heights, Laurel Springs, Allentown, Lincoln Park, Runnemede, East Newark, and Audubon; the cities of Hackensack and Passaic; the town of Secaucus; and the townships of Voorhees, Plumsted, Woolwich, Mullica, Hillsborough, and Maurice River. Penn Credit has also received a recent award with the California Judiciary for state wide court collections.

Penn Credit's References

Bay County Clerk of Courts

300 E 4th Street
Panama City, FL 32401
Bill Kinsaul, Clerk of the Circuit Court
850-747-5222; baycoclerk@baycoclerk.com

Okaloosa County Clerk of Courts

101 E James Lee Blvd
Crestview, FL 32536
David Williams, Clerk Finance Director
850-689-5000 ext. 3401; dwilliams@clerkofcourts.cc

Wakulla County Clerk of Courts

3056 Crawfordville Hwy
Crawfordville, FL 32327
Brent Thurmond, Clerk of the Circuit Court
850-926-0325; bxt@wakullaclerk.com

City of Hackensack

215 State Street
Hackensack, NJ 07601
Elizabeth Pezzillo, Court Administrator
201-646-3970; Elizabeth.pezzillo@judiciary.state.nj.us

Township of East Newark

34 Sherman Ave
East Newark, NJ 07029
Heather Luzzi-Miller, Court Administrator
201-875-9100; heather.luzzi-miller@judiciary.state.nj.us

Borough of Laurel Springs

135 Broadway
Laurel Springs, NJ 08021
Jackie Vicari, Court Administrator
856-784-6688; jackie.vicari1@judiciary.state.nj.us

PENN CREDIT'S IMPLEMENTATION TIMELINE

Phase I - (Days 1-7)

- Contract documentation is completed and returned
- Penn Credit implementation team has an initial on-site meeting with City staff
 - Review service requirements, communication procedures, quality control measures and work standards
 - Confirm placement via FTP, data security procedures, account types and volume, and any customized collection procedures
 - Review material for inclusion in Penn Credit's client-specific training/procedures manual
- Information obtained during this meeting is used to create client numbers in Penn Credit's collection system

Phase II - (Days 8-20)

- Penn Credit's IT staff creates custom software to accept assignment of accounts, updates, acknowledgments and payment files according to system record layouts:
 - Documented procedures include
 - New account file frequency and record layout
 - Update file frequency and record layout
 - Acknowledgment record layout for new account and update files
 - Collection posting/payment file frequency and record layout
 - File formats and frequency
 - FTP data transfer from Penn Credit's site and encryption method (e.g. SFTP)
 - Exchange of contact information for relevant IT parties at Penn Credit and the City
 - Data transfer testing
 - Penn Credit will review and then convert all applicable test files (placement, update, etc.) into its test collection system; the resulting records will be evaluated for accuracy
 - Penn Credit will then produce applicable files and transfer to the City as needed (payment, demographic update, etc.)
 - The City will test the files against their system for accuracy
 - Test data transfer and conversion processes continue according to City policies and timelines
- Penn Credit updates our Client Relationship Management platform with appropriate contact information of City team members
- Weekly follow up meetings occur; status of deliverables and action items from initial meetings are reviewed

PennCredit

Service • Integrity • Results

Phase III - (Days 21-29)

- Penn Credit provides login credentials and training to City staff on our web-based client access portal
- Penn Credit's contract compliance officer reviews/audits all set up and implementation to date:
 - Adherence to insurance
 - Collection letter content/format
 - Proposed collection strategy
 - Staffing levels
 - Data file exchange
 - Collected funds remittance schedule and process
- Weekly set-up follow up meeting occurs
- Outstanding items and deliverables are finalized

Phase IV - Project start date

- The first new referral file is transferred to Penn Credit
- Accounts are loaded into Penn Credit's collection system
- Acknowledgment of new account files sent to the City
- The account is then electronically transferred into an automated process and 'scrubbed' for the following:
 - Standardization of name and address for postal regulation requirements
 - Name and address are processed through National Change of Address (NCOA)
 - Phone Append
 - Bankruptcy and deceased scrub
 - When an account is found to be bankrupt in the initial scrub, the information is placed on the account and the account is flagged before letters are sent in order to comply with bankruptcy law
 - When an account is found to be deceased in the initial scrub, the information is placed on the account and the account is closed and returned to the City pursuant contractual requirements

This timeline can be adjusted or modified based on City needs.

PENN CREDIT'S COLLECTION PROCESS

Introduction to Penn Credit's Workflow

Penn Credit's collection workflow is defined by the evolving accounts receivable needs of our clients and refined by Penn Credit's years of dedicated expertise in the field of debt recovery. This synchronization of committed client service and industry know-how has resulted in an unparalleled collection program.

From account placement and verification, through the processes of skip tracing and consumer contact, to payment and remittance, Penn Credit's procedures have been tested, streamlined, and enhanced for the greatest results.

Upon award of contract, Penn Credit will begin project implementation, working with the City to configure a regular exchange of accounts and reports based upon the City's existing databases. This process ensures that the resources expended by the City are minimized going forward. After implementation, Penn Credit is able to begin account activation and verification immediately upon the City's placement of accounts for collection.

Initial Account Placements

Upon receipt of accounts, Penn Credit's collection system will generate an acknowledgment report to be sent to the City and begin to scrub all accounts for the following information:

- Standardization of name and address for postal regulation requirements
- Name and address are processed through National Change of Address (NCOA) and:
 - addresses are verified as correct, or
 - addresses are verified as incorrect, or
 - addresses are verified as incorrect and correct addresses are found
- Phone Append
- Bankruptcy and deceased scrub

If the account has a good address, the first letter is automatically generated and mailed to the consumer. This letter serves to inform the consumer of placement with Penn Credit and notification of the consumer's rights as outlined by federal and state laws. If the address provided with the account is incorrect or out-of-date, the account will enter Penn Credit's skip tracing process.

If the account has a good phone number, collectors will begin attempting to contact consumers multiple times per week during the hours deemed appropriate by federal and state laws. If the phone number provided with the account is incorrect or out-of-date, the account will enter Penn Credit's skip tracing process.

PennCredit

Service • Integrity • Results

Assignment of Accounts

In order to promote the greatest degree of efficiency among collectors, Penn Credit's collection system utilizes account routing parameters based on account classification and balance range. Management actively monitors the call lists for our automated dialing collectors and the work queues for our assigned account loop collectors on a regular basis, ensuring that the volume of accounts is not larger than appropriate. Collectors and supervisors work as a team, assisting one another with incoming calls and resolving disputes when required. This flexible and cooperative environment ensures that production levels are being met and customer service levels are being exceeded.

Collection Tools and Resources

Penn Credit has four calling strategies at our disposal: a proprietary automated calling/payment system, a predictive dialing platform, a "Confirmed Party Contact" system, and our loop collection protocol.

Predictive Dialing Platform

This predictive dialing platform predicts the availability of the collector's next call—and adjusts dialing volumes accordingly—so that the answering party is immediately transferred to an available collector. This method ensures the party is unaware that he/she has been on an automated call and is more willing to begin discussions with the collector. This system allows one (1) collector to contact up to 35 consumers an hour, effectively and efficiently increasing Penn Credit's "collector to consumer" ratio.

D.A.V.I.S. (Digitized Automated Voice Intelligence System)

This system utilizes Interactive Voice Response (IVR) technology and makes calls from 9:00 a.m. to 9:00 p.m. in the time zone where the consumer resides. Upon contact consumers are provided with their account information and available payment options. While using the D.A.V.I.S. system, any consumer has the ability to speak to a live collector at any time by following the instructions built into the system; further, D.A.V.I.S. is capable of providing consumer interaction in both Spanish and English to aid bi-lingual collection needs.

Confirmed Party Contact

Our Confirmed Party Contact system builds upon the aforementioned technologies (primarily, the D.A.V.I.S. system) by prompting a qualification question which allows us to verify that the individual who answers the call is the consumer. The call is then immediately transferred to an available collector, allowing our collection team to communicate directly with the "Confirmed Party."

PennCredit

Service • Integrity • Results

Loop Collection Protocol

This collection practice assigns ownership of accounts to individual collectors, making these collectors responsible for the collection of the account. The collector to whom the account is assigned performs the majority of collection activity on the account; and if additional skip tracing beyond our waterfall process is required, the collector has access to several online resources to acquire new contact data. This loop method creates a relationship between the collector and consumer, promoting a more cooperative series of exchanges and increasing the likelihood of repayment. To further the efficacy of the loop collection protocol, a direct toll free number is included on all letters sent to the consumer.

Loop collectors notate in the collection system what has been accomplished after working an account, they also have the ability to tag a specific priority based on the outcome. This process drives Penn Credit's organization of the work schedule, for example:

Payment Arrangement Established: the account is tagged as a payment plan priority and is grouped with other payment plan accounts for monitoring through payment in full by the collector. Should a payment plan be broken, the collector will be alerted by the collection system and immediate follow up will occur.

Follow Up Appointment: the account is tagged as a priority for the collector to follow up at a specific date and time. The collector will be alerted to any follow-up appointment by a system generated notification.

Difficult to Reach: the account is tagged as a difficult to reach priority if the collector has determined that they are calling the best possible phone number available, however they have not obtained consumer contact. These accounts will receive calls at varied times by the loop collector and automated dialing collectors will also be used.

Skip Tracing: the account is tagged as a skip tracing priority when additional contact information is needed to reach the consumer. To maximize consumer contact, the collector will perform the majority of skip tracing during non-peak hours.

While the loop method is highly successful, other calling strategies are used concurrently to work these accounts, complementing the loop collection system.

PennCredit

Service • Integrity • Results

Skip Tracing

Successful skip tracing is an essential part of Penn Credit's collection strategy; therefore, we subscribe to a wide range of skip tracing products and national databases (Lexis/Nexis, CBC Innovis, and TransUnion). After the initial placement, accounts are "scrubbed" for address verification (NCOA), phone append, deceased and bankruptcy verification. Once the account information is confirmed, the collection process begins; however, if at any time the contact information is determined to be incomplete or incorrect, the account will be placed in our automated "Waterfall" skip tracing process.

Each step in this "Waterfall" process utilizes a new skip tracing product, rotated weekly. The steps and information provided are progressively more intensive and detailed than the previous. The account will proceed from step to step until the appropriate information is obtained and successful contact is made with the consumer. Penn Credit's waterfall skip tracing process may be utilized at any point during the collection process, ensuring that Penn Credit maintains contact with consumers until the amount owed the client has been recovered.

Furthermore, our assigned account Loop collectors are provided access to several internet based skip tracing resources at their work stations, enabling them to perform individual skip tracing.

TLOxps® This is an on line skip-tracing tool that collectors will use in attempting to locate a skipped consumer. This tool provides social security verification, address verification, phone number verification, reverse look-up, same names, and same addresses if under a different name. The collector will work all leads to conclusion.

Asset Verification: The collector will attempt to verify and locate as many assets as possible in the course of using all available skip-tracing tools. If liquid assets are located (place of employment in wage attachment state, ownership of property, checking and/or savings account, ownership of cars, boats, slips and stocks), we will forward a suit/garnishment request form to the City with all asset/employment information attached.

Motor Vehicle Records: In those states where permitted, the collector will contact the DMV for the most current address the consumer has his/her license registered. The collector will follow all leads to conclusion.

Criminal Records: If the collector has knowledge of a consumer's criminal record, they may contact the state to obtain location information. In doing so, the collector will try to locate the consumer's probation officer. The collector is trained in obtaining location information as outlined by the FDCPA.

License Records: These records contain multiple types of licensing and public information the collector may use to locate the consumer. If the collector knows that the consumer is a professional who requires a license to practice, the collector may call the state authority of that organization. If the consumer is a current member, the organization will have record of where they are practicing.

Voter Records / Registration: In most states, a person cannot register to vote at a mail box; the person must provide a physical street address. In most cases, voter registration is public information and this record will provide the collector with a physical street address registered under the consumer's name.

Tax Assessment: The Tax Assessors Office will provide ownership of property by name, parcel number and address. It will also provide what address the taxes are sent to. The collector will follow all leads until conclusion.

State Corporation Information: This skip tracing tool is at the state level and will list if the corporation is listed as a domestic or foreign corporation, Attorney of Incorporation, Officers, and address for service. The collector will use this tool in working business and corporate accounts.

Nationwide DMV Access: Penn Credit has access to DMV data for all 50 US states and the District of Columbia.

Results

Together, our automated dialing systems can generate 1,000 calls per minute and more than 700,000 attempts per day utilizing 500 phone lines. All “busy signal” calls are redialed every fifteen minutes, and “no answer” calls are redialed every two hours up to the time allowed by the Federal and State regulations. Repeat calls are made every three (3) days after contact with no account conclusion. Management also staggers call times throughout the day and rotates dialing platforms to optimize high consumer contact.

Contacting Consumers by Telephone

Penn Credit’s contact with consumers via telephone is essential to Penn Credit’s successful recovery process. Our calling platforms combine the speed and efficiency of automated calling with compliance for state and federal law. While incoming calls are instantly transferred to available collectors, the calling system also guarantees that all outbound calls are within guidelines established by federal and state law, ensuring that no phone calls are made before or after approved hours.

Penn Credit’s telephone systems also have numerous quality assurance mechanisms: 1) management has the ability to monitor collection calls by listening to, participating in, and even taking over of the call when necessary; 2) a call/screen shot recording system records every phone call and collector computer screen for archival and quality control purposes; and 3) multi-lingual capabilities, the D.A.V.I.S. system allows the user to interact in English and Spanish; further, collectors can easily transfer a call to a collector who speaks the appropriate language.

While the main purpose of consumer contact is to collect a debt, Penn Credit also takes each consumer contact as an opportunity to maintain the relationship the consumer has with the City. Penn Credit’s collectors are trained not only to obtain payment-in-full in every possible scenario, but also to prevent disputes, escalations, and complaints. It is in the best interest of all parties that each attempt at recovery is polite, patient, and proactive—imbuing a potentially unpleasant situation with a more productive agenda and empathetic tone.

Samples of our call scripts appear on the following pages.

PENN CREDIT'S FEE PROPOSAL

Penn Credit respectfully proposes a fee of 40% to include all account types, in accordance with Tennessee Code Annotated 40-24-105.