



Mitigating Collateral Recovery Risk

Establishing accurate, detailed, and compliant collection and recovery policies can greatly reduce your risk exposure.

Collection and Collateral Recovery Strategy Checklist

Ensuring your financial institution's internal collection and recovery processes comply with applicable law can dramatically reduce your risk exposure.

Here are suggestions that can help your financial institution maintain sound internal controls and oversight of collection practices.

- Review state-specific collection requirements and restrictions on collateral recovery.
- Have your legal counsel review your recovery documents.
- Review your collection and repossession policies and procedures annually to ensure they comply with all applicable laws.
- Obtain an appraisal immediately after collateral is recovered to determine its fair market value.
- Maintain complete and accurate documentation during the collection, recovery, and remarketing processes.
- Clearly communicate your collection and recovery processes to your staff and provide internal training on collection and recovery best practices.

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