

Business Credit News

CREDIT REPORTS 210-225-7106
COLLECTION 210-225-7106
E-MAIL: bcms@nacmtx.com
FAX SERVICES 210-225-1777
WEB SITE: www.nacmtx.com

National Association of Credit
Management of Texas, Inc
4407 Walzem Rd #205
San Antonio, TX 78218

FEBRUARY 2014 Chairman: Mark Haley
Johnson Oil Company

“WHERE DID YOU GO TO LAW SCHOOL?”

As in any profession, the legal profession has their own language designed to keep their specialized knowledge to not only themselves but, and many share the opinion, to make the law and its' writings difficult for non-lawyers to understand and justify the high fees to not only interpret but explain what the statutes and contracts really say. Many attorneys will readily admit that the mixture of French and Latin in legal writings today is used more out of habit than due to any quest for precision.

For decades, even centuries, there has been a movement in the legal community to simplify legal writings. For example the “Statute of Pleadings”, written in the 14th century, is often considered to be the first plain English law requiring, as it did back then, that all legal documents be written in English instead of French which had been commonplace ever since the Battle of Hastings in 1066. Legal language today may be written in English, but is often opaque as ever. The “plain English” movement began in the U.S. in 1978 and as recently as 2010, four years ago, the United States Congress enacted the “Plain Writing Act” that requires all federal government agencies to write “clear Government communication that the public can understand and use”. The government even went so far as to publish guidelines to assist those government employees who draft the laws along with procedures and policies with plain-language issues.

These guidelines are available to anyone at www.plainlanguage.gov.

In the credit profession, both commercial and consumer, there has been a movement, both voluntary and sometimes legislated, to make the customer more fully aware of their rights and obligations when entering into any type of agreement whether it be to obtain credit or repay/guarantee a debt obligation.

So why then do the majority of credit professionals still write collection letters and draft their agreements, including credit applications, to read as though they were prepared by attorneys and ready to be filed with court papers? The days are gone when attorneys could argue that all agreements must be written in legal language because, by doing so, they can better track prior court decisions, also written in legalese, and thus ensure that previous interpretations will continue to be understood in the same way as the original pleading.

We have customers signing credit applications, credit agreements, personal guarantees, and other credit related documents every day. We are mailing, faxing emailing daily collection and final demand notices. The risk is far greater that a customer will misunderstand an agreement or letter written in legalese than that court will misinterpret an agreement or letter drafted in plain English. When exchanged between professionals, legalese should pose no impediments to understanding. It is when the outside world, anyone without legal training or the understanding of our profession, confronts the legal jargon that confusion results. There are some credit professionals, and legal professionals, who refuse to consider plain language when communicating things of a legal consequence. It is not how they were taught, it is not how the statutes are written, and it is not how judges issue legal opinions. They argue that simple language lacks the precision necessary for accurate delineations and distinctions that the law must often make. One of the major criticisms of writing in plain English is that no one can really define what it means to craft or write a document in plain English. You know it when you see it but it's undefinable.

Despite the inherent vagueness of the term, credit professionals should make the effort to ensure that all of the documents that their customers are requested to sign, acknowledge, or receive are as clear and easy to understand as possible. There will always be those credit professionals who insist on communicating the way they were originally taught, but those credit professionals are throwbacks to the old days and do not represent the mainstream thinking about maintaining good customer relations.

The following are some guidelines to consider when drafting any agreement or letter:

Language:

Always use short words, sentences, and paragraphs. Keep sentences at fewer than 25 words and paragraphs under 60 words.

Use present tense and active voice whenever possible. **Passive:** “The purchaser is obligated to make all payments hereunder.” **Active:** “I will make all payments as they become due.”

Take out any legal jargon in your agreement or letters. **Legalese:** “The purchaser certifies that no oral or written statements, promises, representations or guarantees, other than those herein contained, have been made in relation to this agreement. **Simple:** “This contract contains all the agreements between buyer and seller and by signing this both buyer and seller agree to do what the contract says.

Use Simple Words:

Begin in place of “commence or initiate”

Cancel instead of “rescind”

End in place of “terminate”

Under instead of “pursuant to”

If in place of “in the event that”

Give or make instead of “render”

Before in place of “prior to”
 After instead of “subsequent to”
 Sign in place of “execute”
 Person signing below instead of “undersigned”
 Responsible in place of “liable”
 Do not use any foreign words including Latin unless the agreement is in a foreign language.
 Clarify conditions and exceptions. Never treat the rights or responsibilities of the parties as conditions or exceptions.

For example, never word the right to hire an attorney as a condition. **Wrong:** “If the buyer defaults and the seller commences collection through an attorney, the buyer will be liable for attorney fees.” **Correct:** “If the buyer is behind in making payments, the seller may 1) hire an attorney to collect the money; and 2) charge the buyer the attorney’s fees.”

In over forty years as a credit professional I have never encountered another credit professional with a law degree. I’m not saying there isn’t one out there but I have never made their acquaintance and I have met over 100,000 credit professionals. I have encountered, however, many credit professionals who write like attorneys.

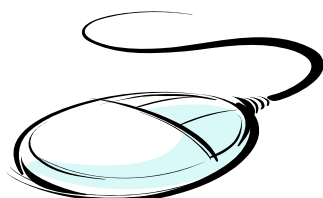
Our profession is credit and collections, let’s not complicate what we want the customer to do by confusing them with legal jargon.

David Balovich is an accomplished author and public speaker. He is presently the North Region credit manager for Holt Cat.

***** **FEBRUARY 2014** *****

Day	Date	Group	Location	Time
Tues	4	Austin Construction	Texas Land & Cattle, 6007 N IH 35 & Hwy 290, Austin TX	11:30
Tues	11	Coastal Bend Group	Holt Cat, 1325 South Padre Island Dr, Corpus Christi TX	11:30
Wed	12	Rio Grande Group	Victoria Palms Resort, 602 N. Victoria Rd. Donna TX	11:30
Thurs	13	SW Food Credit Group	Las Palapas, 4802 Walzem Rd, San Antonio TX	11:00
Tues	18	Austin Construction	Texas Land & Cattle, 6007 N IH 35 & Hwy 290, Austin, TX	11:30
Wed	19	Victoria Credit Group	Sky Restaurant, 236 Foster Field, Victoria TX	11:30
Thurs	20	Fuel & Lube/Heavy Eq.	Teleconference Meeting 1-800-791-2345	2:30
Thurs	20	HVAC Credit Group	Texas Air Products, 11122 Gordon Rd, San Antonio TX	11:30
Thurs	20	International Meeting	The Historic Menger Hotel, San Antonio TX	8:30
Th/Fri	20/21	SW Credit Exchange	The Historic Menger Hotel, San Antonio TX	5:30/8:00
Th/Fri	20/21	SW Petroleum Meeting	The Historic Menger Hotel, San Antonio TX	5:30/8:00
Th/Fri	20/21	Natl. Aviation Meeting	The Historic Menger Hotel, San Antonio TX	5:30/8:00
Fri	21	SW Electrical Group	WILL BE ATTENDING THE SW CREDIT EXCHANGE MEETING	
Thurs	16	Austin Ad Media	Santa Rita Tex Mex, 1206 W38th St. Austin TX	11:30
Tues	25	SA Construction	Las Palapas, 4802 Walzem Rd, San Antonio TX	11:30
Wed	26	Laredo Credit Group	The Laredo Country Club, Laredo TX	11:30

NACM Business Credit Reports are “A Click Away”



Our Business Credit Reports are reliable, easy to use and a great value. We have introduced Credit Scoring on our Business Credit Reports. This free service has been added in addition to our already free “Watchdog Alert Service”.

The Credit Scoring and our Watchdog Alert which automatically sends out by e-mail or fax when any derogatory information is reported will help members by:

- *Providing a Quick Snap Shot*
- *IMPARTIAL Credit Rating*
- *Accurate and Reliable informati*
- *Staying on top of accounts*
- *Notifying members of informati*
- *Giving members more time to effectively manage their accounts*

GETTING STARTED:

All you have to be is a NACM Member to access our on-line reports. Call NACM at (210)225-7106 or 800-256-5306 to receive your password and allow us to show you how easy it is to access Business Credit Reports. There are no search fees while accessing our data and you are given the number of trade lines available on a report before you order the report.

The report trade lines come from our groups, diskettes, past due lists and trade references that our members provide to us, therefore our credit information is more reliable than trade that you have no idea where they came from.

VIEW SAMPLE CREDIT REPORT

Please visit www.nacmtx.com and go to Reports.

Why Wait? You’re “A Click Away” from Credit Scoring & Business Credit Reports