

The Not-So-Typical Repo Man: A Conversation with Jeremy Vang with Recovery Solutions



Recently, Kevin Graff, President of Integrity Loan Review sat down with Jeremy Vang of Recovery Solutions. Recovery Solutions is a fully insured and bonded nationwide commercial repossession and remarketing agency specializing in commercial-grade repossessions. Recovery Solutions specializes in ag equipment, yellow iron, trucks and trailers, coach busses, cranes, tow trucks, forestry, mining, industrial machines, medical equipment, luxury RVs, and motor homes.

Thanks for sitting down with me, Jeremy. Would you mind telling me a little bit about how you started Recovery Solutions?

My wife Jessica and I formed Recovery Solutions together in 2015 and we rebranded, strictly focusing on commercial-grade repossessions after 20 years in the auto repossession side of the recovery industry. We noticed that the auto repossession industry was saturated with repo agencies that specialized in consumer vehicles, and nobody was really specializing in commercial-grade equipment repossessions, so we took the ball and ran with it. Recovery Solutions serves lenders of all sizes, ranging from small community banks and credit unions to small-mid-and large ticket leasing and equipment finance companies, attorneys and law firms, and truck and equipment dealers. Because I was able to form Recovery Solutions together with my wife, we are also classified as a woman-owned business.

If there is one thing that separates Recovery Solutions from our competitors and nationwide commercial forwarding companies, it's the fact that we care about the overall well-being of our lenders and our lenders' customers, our understanding of brand awareness and reputational risks, and our ability to repossess assets placed with reduced risk to the lender.

You mentioned that you specialize in commercial-grade equipment, do you have a specialty with a specific asset class? How does pricing work for the different asset classes for your business?

We truly specialize in all facets of commercial-grade recovery. We are most versed in ag and construction equipment, trucks and trailers, coach and shuttle busses, limousines, cranes, tow-trucks, forestry, mining, industrial machines, medical equipment, luxury RVs, and motor homes. We've even repossessed nail and tanning salons, restaurant equipment, and arcades, and conducted a full-on business closure of a 5-acre truck stop and restaurant once.

With commercial grade repossessions, pricing is typically broken down into weight classes. For instance, if a lender is dealing with mining or installed industrial machines, we try to quote these out to the best of our ability on a case-by-case basis as there will almost always be breakdown and deinstall costs. The one thing that separates consumer and commercial repossessions is this, no commercial repossession is ever the same and it's hard to put an exact dollar amount on how much it's going to cost a lender to repossess, deinstall, and transport a 1.5M Tube Laser for instance. The logistics that come with commercial repossessions can be very overwhelming.

Interesting! When and at what point should a lender contact you?

I would recommend that lenders get a commercial reposessor or someone like QuickTrack out to inspect assets and door-knock an account quicker now than you would have pre-pandemic. There are a lot of times that the customer is too embarrassed to call and ask for help and they think by going radio silent on the lender, they can fix things at their convenience. By getting front and center on these accounts quicker, we can oftentimes get the customer and lender back in communication to solve the problem account with a workout prior to escalation and repossession.

Do you find any consistent themes where lenders either may have prevented or identified a problem sooner?

If I could offer any advice to lenders in order to prevent any initial problems it would be to obtain the specific addresses for the customer's business and the location of the equipment financed. We have encountered many instances with repossession placements where customers have listed addresses that are in fact PO Boxes, a UPS or FedEx store, or even virtual offices. This creates an issue in locating where the financed assets are – which is critical for rolling stock, transportation and construction portfolios.

Do you consult with lenders to discuss collection strategies?

Absolutely! We strive to build lifelong relationships built on trust with lenders. There are times when a repossession placement comes over and lenders aren't as familiar with some assets that are to be repossessed as others. For example, we will help determine if the recovery costs are going to outweigh the value of the asset and then consult with the lender to come up with alternative options.

What is the ideal time frame a lender should anticipate in working with you?

Lenders should get in front of their problem accounts right away, especially on rolling stock portfolios. Prior to the pandemic, delinquent accounts may not be assigned out for repo until the customers are 90-120 past-due. Post-pandemic, customers that were struggling on their loan pre-pandemic and the debt was restructured, or the lender deferred payments and now the customer's gone radio silent and they're back in default. Lenders need to keep close tabs on these accounts and potentially call these accounts quicker. Every day a lender waits on these accounts, the customer is racking up thousands more miles and putting hundreds of hours on the assets to be repossessed, bringing down the values.

Being in the repossession industry, I'm sure you encounter a lot of interesting situations. Do you have any favorite collection stories?

As a reposessor, we deal with every walk of human life and we most definitely see some of the most interesting things out there. In the same token, we also see a lot of heartbreaking things we don't like to talk about. In my 30-year career as a reposessor and having repossessed thousands of assets, there are so many stories that come to mind. Here's kind of a cool story!

In 2018, we received an order to repossess a handheld laser from a chiropractor. The customer went radio silent on the lender and literally fell off the grid. I'm always up for a challenge and worked on the account myself personally. I got out in the field immediately, and I ran to the customer's business address and found that the space was vacant. I then went to the customer's home address and spoke to the husband and learned that the customer had left him and the kids to be with her new boyfriend in South America, taking the asset with her. The customer's husband provided me with a new cell phone number and personal email address to reach her.

The cell phone service was nil to nonexistent and the only way to get through to the customer was through text and email. After 3 months of back-and-forth communication, I was able to wear the customer down and got her to voluntarily surrender and ship the unit back to the lender. I was pretty stoked about this one. This assignment was more about the principal than the asset itself.

Wow! What a story. Do you have an idea of the general \$ recovery rate in terms of dollars for the lenders? For example, do you typically see fifty cents on the dollar or something better or worse based on the amount of debt against the asset?

As a repossession and remarketing agency, lenders trust Recovery Solutions to bring them the best money possible on assets they elect to have us remarket. We are not like a traditional auction where we could care less what an asset brings for money. We want our lenders to succeed, and we take great pride in cleaning up and marketing our lender's assets with the anticipation of lenders netting closer to retail money. There are different tricks to the trade, but it basically boils down to demographics, presentation, marketing, and pricing. If we have 30 lowball offers that come in, we'll hold out and wait...there's usually someone that spots a diamond in the ruff and they're willing to spend retail money to buy it.

More about Integrity Loan Review

We are based out of Green Bay, WI and serve clients throughout WI, MN, MI, IL and IA. We provide both on-site and remote loan review and related services for community-based financial institutions. We provide a comprehensive approach to loan review and related services through our proprietary methodology.

Please follow Integrity Loan Review on LinkedIn for updates, thought leadership, and upcoming interviews with other specialized industry lenders.

To learn more about Jeremy Vang and Recovery Solutions, contact Jeremy below.

Jeremy Vang VP | GM
Recovery Solutions, LLC
Certified Commercial Recovery Agent
www.recoverysolutionsmn.com
jeremy@recoverysolutionsmn.com
715-941-4722 Direct
612-545-7376 Mobile