

RMEx Release 6.1 Documentation

Software Version V-120621



AN INTRODUCTION

In the coming months, the collection industry will see its greatest changes in many years. Much of this has been coming for a long time. We are ready, not because it is easy, but because we have been learning and improving our systems in the last 10 years to address new, predictable consumer behavior, compliance requirements and modern technology. Regulation F was a bonus for us! It challenged us to do more with technology and to give us the opportunity to add many new options to an already-powerful platform. What you will get over the next few months is not our first version of some of the features you will see. We have tried, made mistakes, modified and re-designed many of these options as we worked with them.

Entrepreneur and computer scientist Arthur van Hoff said this about revision:

"Over the years, I've learned that the first idea you have is irrelevant. It's just a catalyst for you to get started. Then you figure out what's wrong with it and you go through phases of denial, panic, regret. And then you finally have a better idea and the second idea is always the important one."

Thank you for your support of Quantrax, our products, and our people. For our new clients, welcome to Quantrax. This is the quality of work you can expect from us for many years to come!

*Ranjan Dharmaraja
CEO*

WELCOME TO RMEx RELEASE 6.1 - THE REG-F VERSION

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OVERVIEW OF RMEx RELEASE 6.1 - THE REG-F VERSION

Quantrax is proud to announce RMEx Release 6.1 which will begin the support and rollout of the functionality that is required to meet the CFPB's Reg-F requirements.

The new rule will change the industry not only when it is implemented, but for many years into the future. As the industry accepts the implications and adjusts traditional processes, the impact will be felt in many areas of collections. As always, we plan on "skating to where the puck is going to be, and not where it has been" (Wayne Gretzky)", with great anticipation, vision and proactive thinking.



The initial version of Release 6.1 was an infrastructure change. We required new data fields and internal options to support the changes. Our initial version handled these changes, along with some changes that helped you to prepare for the final implementation of the rule. It is important that our clients upgrade as quickly as possible. We do not have any plans to offer the new functionality on older versions of RMEx.

Let us summarize what Release 6.1 offers and does for you.

- Infrastructure and database changes
- Changes to account inquiry to display the new data fields
- Updated transaction files and posting programs to accommodate the new fields at the time of placement. As and when your clients start providing the new information, your custom interfaces will require changes. Quantrax will take care of code we developed (there may be a small charge). You are responsible for code that was developed outside Quantrax. It is important to understand that every new business load whether programmed or created through I-Load will need to be updated!
- We have modified I-Load to handle the new data fields
- We have created new letter merge codes for the new data elements. If your letter printing programs are modified for internal printing or a printing service, these programs will need to be changed. This work is billable. You will need to contact us about these changes, indicating what changes you will require.
- Changes to the demand letter and handling of returned mail

- The 7 in 7 rule - Attempts and contacts with the consumer will need to be counted and further attempts will need to be limited based on the rules
- Most of you will need to contact your clients and let them know that changes will be coming. How will you do that? We give you the option to create an e-mail and send it out to all of your active clients, using e-mail addresses stored on the client master.

These changes will allow you to work with your letter vendor and your clients, to prepare for the changes.

Here are the details of the latest from Quantrax and RMEx - the Reg-F Version!

INFRASTRUCTURE, DATABASE AND ACCOUNT POSTING CHANGES

The new rule requires a more detailed "Itemization" of the original debt along with the transactions since a specific "Itemization date". The following changes have been made to support these requirements.

- We have made the following changes to the account master file :
 - Presently we have a "Last transaction date". This is based on what you get from your client, for example, service date, date of discharge, last charge date etc. The new regulation calls for the tracking of an "Itemization date". This can be the last transaction date, last statement date, charge-off date, last payment date, admit/discharge date or judgment date. We have created a new field GITEMDT for the itemization date. For new accounts, this will be obtained from the itemization date supplied or *will default to the last transaction date*. We have also created a separate field GPM09, to indicate what the itemization date represents. We will use T for last transaction date, S for last statement date, C for charge-off date, P for last payment date, A for Admit/Discharge date and J for judgment date. Some of our options will not talk about the "A" option because that has not been defined in the rule. We have allocated "A" as a future option. A default itemization code can be defined at the client level (Page 11). There is also a company default on Page 4 of the System Parameters. It is also at the account level, so different accounts for the same client could have different types of dates. Accounts placed prior to the rule will not have a code or a date, and we give you options to copy to older accounts, the itemization code from the client master, as well as the last transaction date for itemization date.
 - We have created new fields for data prior to the itemization date - original balance (GORIBL), original interest (GORIIN), other original charges

(GORICO), original last payment amount (GORLP\$), original last payment date (GLASTP which was already defined), payments (GORIPMT) and adjustments (GORIADJ)

- The account load edit and posting programs, when the system is activated for Regulation F (Option on System Parameters) will always verify the Itemization Data supplied. There is an option at the client level (Page 11), to activate the Reg-F edits. This can be used to test or turn on individual clients prior to the rule date. Original balance plus interest and charges, less payments and adjustments, must match the current amount owed! The client or defaults must be set up for type of itemization. *Accounts can not be posted without passing these edits.* This is our method of ensuring that “bad data” does not get into the system.
- What if your clients can not give you the new itemization amounts, and only give you a placement amount? *This is not legal advice*, but you could have the client confirm that you can use charge-off date or last statement date as the itemization date, and use the placement amount as the original balance for itemization. What about your I-Loads and custom new business loads? *No changes are needed.* We have a new option on the client setup, Page 11 - “Force itemization amounts (Y)”. A “Y” in this field will force the placement amount into original balance, provided you have also set up an itemization code on the client master.
- What about Itemization Date? If the itemization date is close to the placement date, you would probably be using the charge off or statement date as the itemization date. What about the actual date you will use? If it is not supplied by the client, we give you an option to use a date a few days before the placement date. Assuming the client does not give you an itemization date AND the client master has an itemization code, you can put a number of days in a new field, “Set itemization date to T-“ (number of days before placement) and the system would do the math at the time of posting the account. (See sample screen below)
- We have special logic for Itemization Code “P”. For this code, we will force the last payment to client date into the itemization date, if it is supplied. Otherwise, we will use the last transaction date. You have to make sure clients with an itemization code of “P” supply the last payment date, if applicable. If no last payment date is supplied, you must make sure there are no adjustments since the last transaction date. If these conditions are met, you can force the placement amount into the original balance and use the last payment or last transaction date as the itemization date. If you transfer accounts within RMEx and the itemization code for the new client code is “P”, we will use the last payment date in RMEx as the itemization date.

Client Update (Page 11)

Company Name Quantrax Collection Enterprises
 Client Code 000001

Remittance name
 Remittance Address 1
 Remittance Address 2
 Remittance City, State, Zip
 Return mail name
 Return mail Address 1
 Return mail Address 2
 Return mail City, State, Zip

Client logo code
 Payment portal URL
 Name for credit reporting QUANTRAX
 Special roll-up (Y)-SEE HELP
 Pmt.Arrangements by Acct# (N) Express Prior Consent (C,T,B) after C 010121
 Only PIF for bot (Y) Purge this group (N-No)
 Default Itemization Code S Activate itemization edits (Y)
 Force itemization amounts (Y) Set itemization date to T- 2

F1-New Selection F3-Search F7-Exit F12-Update ENTER-More

On the screen above, “Activate itemization edits” will also support an “N” to disable the option that is set up at the company level.

- It will be necessary to track if the validation notice was *successfully sent out*. This will be required in order to credit report accounts after the rule implementation date. We track this at the individual account level, using 3 new fields at the account level - Validation sent (a “Y”), last validation sent date and a validation notice returned date. If the validation was successfully sent out, there will be a “Y” in validation sent and a date in last validation sent date. The validation returned date is only updated when there is returned mail or an address is updated as bad.

When returned mail or addresses are changed to “bad” (on the account detail screen), the new data will be updated if the Reg-F edits are turned on at the company or client level. A note will be added - “Reg-F R/M data updated”.

The new fields will be manipulated by letter processing logic, changes on the account detail screen and returned mail programs.

UPDATED TRANSACTION FILES

To accomplish the above objectives, the new account master fields have been added to manual account entry, electronic loads and I-Loads. Any custom load that requires the new fields will need to be modified. You will need to obtain the new information from your client and notify us. We will then make the changes. Based on our anticipation of the work needed, we don't expect too much will be required. The work will be billable. You will be able to handle the I-Loads. If you have had non-Quantrax people create programs, you will need to contact them for the changes.

On account transfers, with the exceptions described, the new itemization data will be transferred to the new account. We will look at RMEx's payment history and use payment and adjustment information to update the itemization amounts on the new placement.

ON-LINE CLIENT ACCOUNT ENTRY

On-line client account entry has also been modified to ask for the itemization information if the Reg-F edits are activated. The "T- date logic" for itemization date is *not available for on-line clients*. This feature does not seem to be practical for an on-line client. All the other options are designed to work for on-line clients too. Note that itemization code cannot be entered by on-line clients. *This will need to be set up at the client level*. We have also added "Interest" to the amounts that can be set up. You will turn on this option on the "On-line client system control file." (Allow interest (Y) on Page 1). The Reg-F itemization information can also be entered.

ACCOUNT TRANSFERS

When you transfer accounts from one client number to another, the process is quite complex. The default is to transfer all of the itemization data from the original account to the new account. Any payments and adjustments in the original company are added to the itemization totals, along with any interest that was added. If you want to “Reset” the itemization data and load the new account with an original balance of the placement amount and *no other itemization amounts*, you can do that. You would use the “Set itemization date to T-” option to set the itemization date, have a “Y” in “Reset transfers” (Page 11 of client update), have a validation code at the client level and have a “Y” in “Force itemization amounts”.

CHANGES TO ACCOUNT INQUIRY TO DISPLAY THE NEW FIELDS

The new fields described have been added to the Tab-Q option titled “Additional account information”. You can quickly get to this screen by keying an “F” in the “Smart Code” field. The new fields can only be updated by users who are not set up as “collectors” in System Security.

Here is a sample screen.

The screenshot displays the RMEx account inquiry interface. At the top, it shows 'RMEx QUANTRAX CORPO' and an 'EXIT' button. The main section contains account details for 'INQUIRY 000 A Coll BC BC' with account number '002005882 - 99'. The guarantor is 'TEST1' and the address is '1311 NESMITH STREET, Bethesda, MD 20817'. The client is 'DNU - PINWOOD CHASE'. The amount placed is '500.00' on '10/27/21', with a balance of '500.00'. The follow-up date is '11/18/21'. Below this, there is a section for 'Additional account information' with fields for 'Original creditor', 'Original account#', 'Country code', 'Fax number', 'Date opened', 'Charge-off date', 'Itemization date 022121', and 'Code T'. A red box highlights the 'Itemization date' and 'Code T' fields. Below that is the 'ITEMIZATION TO PLACEMENT' section with a table of balances and payments. At the bottom, there are buttons for 'F7-Exit', 'F12-Update', and a status bar showing 'VALIDATION Sent Y 111221 Period ends 122021 R/M'.

Itemization	Balance	Interest	Other	Last Payment			
Bal	200.00	Int+	200.00	Oth+	200.00	Last Pmt	50.00
Pmts-	85.00	Adj-	15.00			Date	

In addition to the itemization date and type, we also have added a “Validation sent” date and a “Validation Period end” date. The validation sent date will be calculated by the system. It uses the date the last validation letter was sent on an account. What is a validation letter? After the Letter System Control files option, there is a screen titled Letter Request Options”. You can specify up to 5 letter codes per company as

“Validation letters”. In addition, there is an option “First letter (Y,L)” on the letter codes system control, to indicate a validation letter at the letter code level.

From the rule, “Validation period means the period starting on the date that a debt collector provides the validation information required and ending 30 days after the consumer receives or is assumed to receive the validation information. For purposes of determining the end of the validation period, the debt collector may assume that a consumer receives the validation information on any date that is at least five days (excluding legal public holidays identified in U.S.C. 6103(a), Saturdays, and Sundays) after the debt collector provides it.”

To calculate the validation period end date we will add the number of days specified in the System Parameters for “Validation Period”. If this is not given, we will use 38 days as a default.

R/M is the date the validation notice was tracked as being returned.

The “Can contact for” and “Days until” fields are described in the section “Managing the requirements for call frequency limits”.

LETTERS

We have merge codes to print the new fields. Depending on the way your letter interfaces are written, custom programs may require changes. We will work with you. You will need to coordinate any changes with your letter vendor.

This information has been separately provided, for you and for you to share with your letter vendor.

You must change your Reg-F letters *to indicate they are to be used for printing*, as opposed to being set up with a content code for the credit reporting reports.

Only one account is updated in the letter history, when a letter is generated for multiple accounts with the same itemization date (This is similar to what happens now for linked letters). What if you wanted to know what individual accounts would have been included on one of those letters? The letter history allows you to enter a letter code and date. We check content code on the letter, close codes and close dates in case some of the accounts are now closed. Assuming you selected a Reg-F letter and a valid date, we will try to reconstruct the letter and display the linked accounts that would have been included on the letter!

CHANGES TO THE VALIDATION NOTICE AND RETURNED MAIL

This is likely to be the most complex area you work with regarding the Reg-F changes. The changes have been driven by a requirement that the demand letter must be sent before you can credit report an account. A demand letter will also require several new fields. We have addressed many complex possibilities.

- Are there accounts that were credit reported but may not have received the demand letter?
- Have we accounted for returned mail and the possibility that a demand letter was not resent before the account was reported?
- What are the options for accounts that were reported but may not have received the demand letter? Do you need to send a demand letter? Withdraw the account?
- What if the accounts were reported as PIF? Do we need to check them?
- What about accounts where a single letter was sent and it included multiple accounts? How do we update and review those accounts?
- What about going forward? What changes are needed for credit reporting?
- The new "Validation end date" has been addressed
- We will need to look at existing accounts to determine whether a demand letter was successfully sent out. How will we do that when there are individual letters and linked letters and we do not mark all of the links for linked letters? On the letter codes file, there is a new code for a "Content Code" to indicate which of the linked accounts are listed on a specific letter. This is different from what now happens, where linked accounts are selected based on merge codes and standard or custom code in the letter printing program. The content code could mean one of the following.

A - All open accounts

B - All active (open and closed active)

C - Individual account

D - Payment reminder

E - Same client, same placement date, same itemization date, all open.
(Itemization date will not be considered for the special pre-implementation reports we have created)

F - Same client, same placement date, same itemization date, all active
(open and closed active). Itemization date will not be considered for the special pre-implementation reports we have created)

G - Same client, open

H - Same client, active (open and closed active)

We use this information to determine whether an individual account received a demand letter. We also considered returned mail. You are able to set up the letter type at the letter code level, and run reports prior to the rule implementation date.

VALIDATION NOTICES AND POTENTIAL CREDIT REPORTING PROBLEMS

As the rule date is approached, our users must consider the important changes that will take place the day after the rule is implemented. As an example, you may presently be credit reporting accounts that may not have received the validation notice because there was returned mail. The new rule specifically talks about this area and it has suddenly become more important to be able to stop credit reporting if you were aware that a validation notice may not have been received by the consumer.

What about accounts you reported prior to the rule date and will continue to report? If the validation notice may not have been received by the consumer, the legal advice seems to be that you should stop reporting these accounts, on and after November 30th. How will you do that? In addition to modifications to credit reporting (we will not report a new account until the validation notice can be assumed to have been “successfully delivered” and the end of the validation period has been passed). We have given you two key options.

- The first option is “Create Validation Letter Analysis Data” This new option can be accessed from within the “Other Management Options” on the Management Menu and could take some time to complete, depending on the number of accounts involved and the date selections (It may not be on the GUI drop-downs). It requires you to define what letters are validation notices, (within the Letter Codes system control files) and to set up the “Content Code” for each validation notice. If you send one letter for multiple accounts placed by the same client on the same day, we need this information to mark each of those accounts as having received a first notice. Since some of those accounts may now have an active close code and may have been reported to a bureau, *it is recommended that you use a Content Code of “F”*, which means “Same client, same placement date, same itemization code, all active (open and closed active)”. *These reports will not look for same itemization code for content codes E and F.*

The new changes for letters will be driven by the content code on the letter system controls. We do not want existing non-Reg-F letters to change because you add a “Content code” to a letter (to generate the special reports we have created). To create the new Reg-F data on letters, you will need to specify that the letter is a Reg-F letter. There is a new option on the letter codes system control file called “This is a Reg-F letter (Y)”.

This option will prompt you for a starting date for letters. We will only look for validation notices sent out on or after that date. It is possible that you are reporting or planning to report an account for which a validation notice has not been sent out. To identify these accounts on the report, we will ask you to enter a “Starting date for placements”. As an example you could enter a starting letter date of 01/01/20 (going back almost 2 years) and a placement date of 08/01/21, assuming

that accounts placed after that date should have been reported or will be reported soon. We will look for the most recent validation notice sent on each account. We will also look for returned mail or address changes by searching for the most recent note with a note code of "RM" or a returned mail flag on the account. The "RM" note code is added when addresses are changed, or when there is returned mail involved and you use our programs for processing returned mail. Based on mail return information that exists *after the last validation notice date*, or the account currently having a bad address, we produce a report with the following.

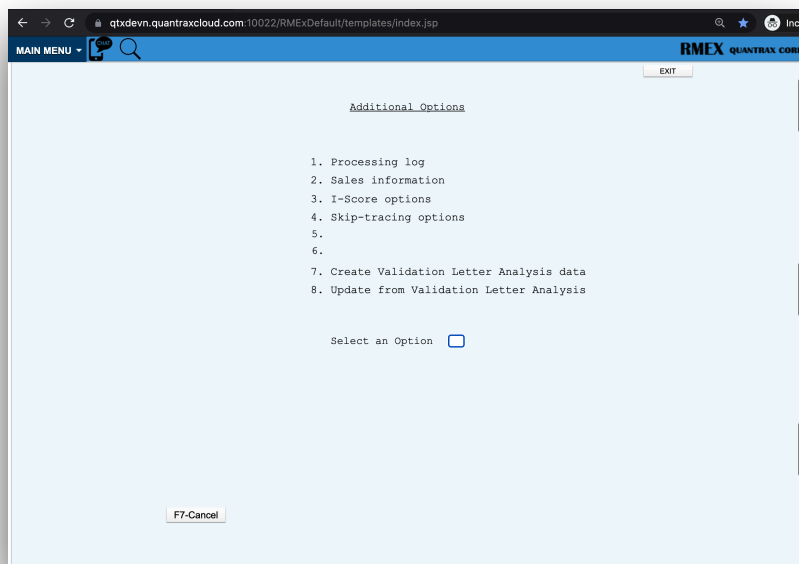
- Number of accounts processed (based on selection criteria)
- Being reported and letter was sent (refers to accounts that are currently reported)
- Being reported and letter may have been returned (a validation notice was sent out prior to mail return)
- Being reported and no letter was ever sent
- New reporting pending and letter was sent (Not reported and may be reported soon) - based on the starting date for placements
- New reporting pending and letter was not sent - based on the starting date for placements

The number of accounts in each category, along with 3 examples are shown on the report.

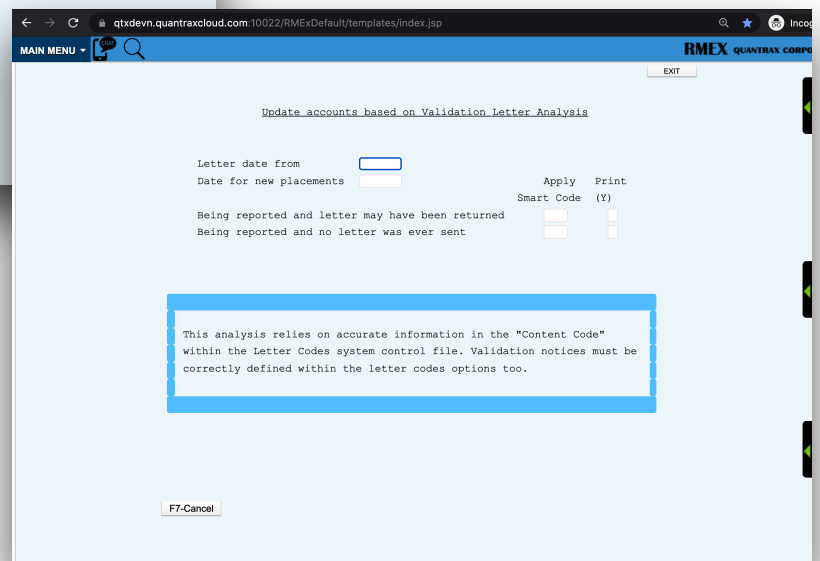
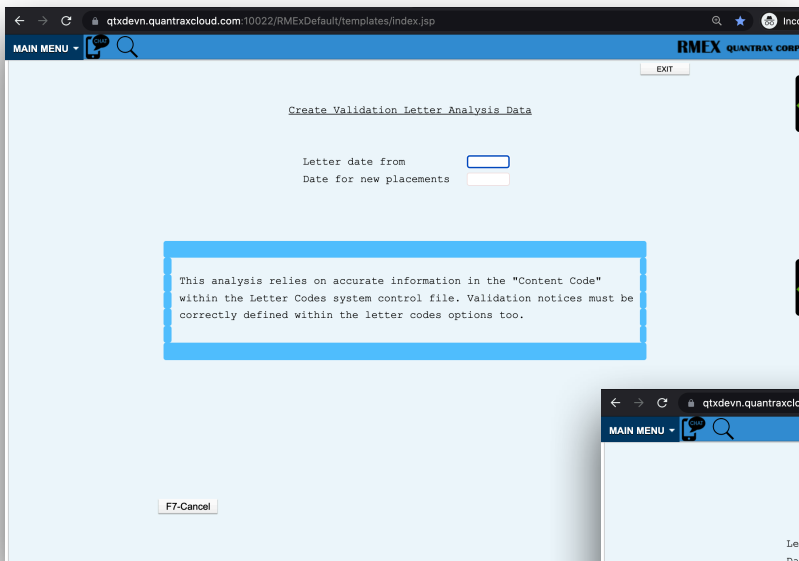
- We have created a new options for you to take practical actions on some of the above categories. For example, if the account was reported but a validation notice was not sent out, or may have been sent to a bad address, "Stop continuing to report the account after the rule date". On Smart Codes, you could "Report an account as New". We have changed that option to "Credit report as New/Stop (Y,S)". An "S" in this field allows you to stop reporting an account. This option marks the account as "Do not report" and effectively stops future reporting of the account. With Regulation-F, there is a need to stop reporting an account if a validation notice has not been sent. This option could be used to stop future reporting of an account under these circumstances.

The second new option "Update from Validation Letter Analysis" from within the "Other Management Options" on the Management Menu, allows you to print details of (a list of the selected accounts) or apply Smart Codes to accounts that have been credit reported and may not have received a validation notice.

Here are sample screens for the above documentation.



- This is for the report and update options that will allow you to print the accounts that need attention, and apply smart codes.



Do you have to send a validation notice when you have an RPC? Can you credit report an account when you have talked to the consumer and validated the debt, but not sent a validation notice? Reg-F seems to indicate that you can do that (This is NOT legal advice!). We initially chose to only consider notices, because it was risky to rely on an RPC flag that could have been updated by a careless or irresponsible agent's actions! The new rules also seem to say that if you can get the account paid on the first contact, you do not need to even send out a validation notice. How can we use these ideas? What if your agents are trained to make sure the account is always validated, when there is an RPC? You may not need to send out a validation notice. We have always had an option to have the system check if a validation notice had not been sent out, and send one out when there was an attempt or contact. This was based on smart codes applied. We have enhanced that feature to *stop a letter from going out if there was an RPC*. If your agents will always validate a debt on an RPC, we can use this information for credit reporting an account! We will be addressing this in credit reporting.

Here is the new screen with the new RPC option.



IMPORTANT CHANGES TO THE LETTER-FAILED REPORT

To avoid any embarrassment or other potential problems, we will fail inaccurate demand letters if they are being generated after the rule date or after you have turned on the Reg-F edits on the client master or the System Parameters. Our programs will edit for the Reg-F itemization data reconciling to the placement amount at the time this data is added (account load edits or if the information is added to an account after posting). Specifically, as at the itemization date, (original balance + interest + additional charges/costs - payments - adjustments) must be equal to the placement amount. If for any reason, this is not true at the time of generating a demand letter, *we will fail the letter*. Because of its importance, we will keep the letter in "Letters pending" and the system will try to send it out the next day. You will need to remove the letter from "Pending" to stop the letter from being selected for processing the next day.

NEW MERGE CODES

Merge codes are not an easy part of this puzzle. We are now talking about information needed for the initial demand letter. It is complex because a demand letter may even be requested long after placement and after new transactions have been posted.

We have created the following merge codes from SCACCT.

Note that all dates are in MMDDYY format in the transaction files. They will be converted to YYMMDD format after posting into SCACCT.

Amounts can be negative!

For linked letters we will add up the amounts from individual accounts for the first page of the letter. We must itemize individual accounts on separate pages.

- AF1 - Itemization date - GITEMDT – Use the newest for the linked group
- AF2 - Original balance (on itemization date) - GORIBL
- AF3 - Interest added (for itemization) – GORIIN (original interest) + GINCHG (interest added after placement)
- AF4 - Other charges and fees (for itemization) – GORICO (Original other charges, includes amounts added at time of posting)
- AF5 - Payments (for itemization) - GORIPMT + all payments since placement (SCPAYMI)
- AF6 - Adjustments (for itemization) - GORIADJ + any balance adjustments from SCPAYMI
- AF7 - Last payment amount to client - GORLP\$
- AF8 - End of validation period. Adds the number of days set up at the company level (or 38 days) to the next work date
- AF9 - The total of the AF5 and AF6 - the payments and adjustments used in itemization
- AFA - The current balance

In case there has been a problem, letter edits must calculate $AF2 + AF3 + AF4 - A5 - A6$ and compare it to the current balance $GPRI + GIINT + 10$ secondary balances. If they are not equal, we must stop if this is a demand letter.

How do you know that a particular letter is a demand letter? It is one of the letter codes on the "Letter Request options" (when you get out of letter system controls) OR it is set up as a "First Letter" on the letter system controls.

For a linked letter that is a demand letter, we must look at SLFT04 in SC0011.

- A - All open
- B - All active
- C - Individual account
- D - Payment reminder
- E - Same client, same placement date, same itemization date, all open
- F - Same client, same placement date, same itemization date, all active
- G - Same client, open
- H - Same client, active

For demand letters, and all codes other than C and D, we must include all the links that meet the conditions. This is how we will decide what accounts go on a letter! It is based on the code that describes the letter.

We have contacted clients and their letter vendors about adding the new itemization data to the letter files. For most clients, we will create an F1 segment (summary for first page of letter) and multiple F2 segments for each account that is included in the summary. There will be no F2 segment for a single account.

Here is a sample F1 segment.

F1~2/21/21~1500.00~950.00~400.00~300.00~50.00~350.00~11/15/21

This is an F2 segment.

F2~2005378~ERT39~2/21/21~1000.00~650.00~100.00~225.00~25.00~250.00

MANAGING THE REQUIREMENTS FOR CALL FREQUENCY LIMITS (7 IN 7)

This area of the rule is likely to be one of the most visible areas that offers the greatest risk to agencies. A mistake is easily recorded and impossible to defend. The solutions offered by other vendors have primarily revolved around dialers blocking calls to phone numbers after attempts and contacts. Dialers *can not recognize an RPC*, and it is challenging for them to tie multiple phone numbers to a single consumer. *A well-designed systemic software solution may be the only viable solution*, and we set out to create it. Workarounds could break the rules or leave a lot of money on the table.

RMEx has had call tracking options for many years. Calls can be counted based on client, state and city rules set up on the I-Tel options. Since call counting requires a tight

integration with a dialer, these options were designed to automatically work with RMEEx's integrated dialers. Interfaces with other dialers is possible, but will require significant modifications. Currently, RMEEx is integrated with the Sytel and TCN dialers. Why is a dialer necessary for high levels of compliance? How can we know there was an attempt or contact on an account? We could rely on the agent's input (e.g. Event or Smart Codes) to track activity. What if the agent did not work or notate the account accurately? We can count attempts accurately if RMEEx talks to your dialer! A dialer tracks attempts (dials), connects, answering machines, bad numbers etc. (sometimes referred to as dialer outcomes or dispositions). Only an agent can identify an RPC, and if an RPC is not coded correctly by an agent, you will have problems. The rule talks about limiting attempts and consumer contacts in a 7-day period. This release addresses all of the major requirements of Regulation F with regard to phone calls.

- Attempts can be counted and managed at the linked account level based on rules for the day or different periods of time. For example, 7 or 30 days. These features have not been changed and there is flexibility at the client, state and city level. Rules for a "blank" state code effectively gives you a method of setting up default options for the company
- Since the rule calls for 7 attempts per week per account, it is unlikely that attempts will cause you a problem. You can set up the existing options to make sure that you do not approach the limits.

Here is an example of the set up for client rules.



- What about contacts? The rule talks about not attempting a consumer for at least 7 days after a contact. If you interpret that as an RPC, it will require the agent to accurately code the effort as an RPC. What if they only coded the effort as a contact and not an RPC (RPC is defined at the smart code level)? What if you did not set up the smart code correctly?

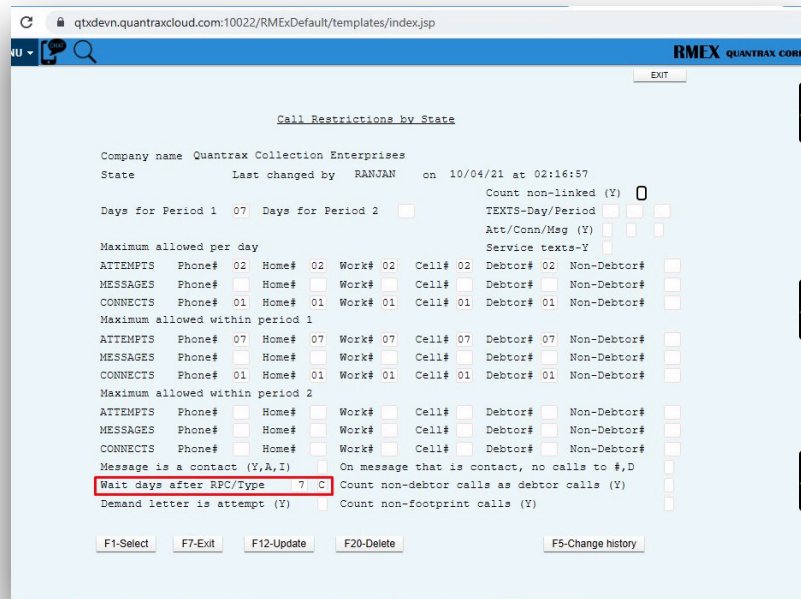
On the state system controls, you can set up "Wait days after RPC/Type".

These options allow you to define the number of days that should be used for compliance with rules that call for waiting a certain number of days to attempt an account after an RPC. The linked group of accounts is checked for an RPC or contact (There is an option on the System Parameters that gives you the option to use the last contact date instead of the last RPC date.)

The "Type" can be left blank and the system will consider the linked group of accounts. A "C" will check the company for other accounts that may not be linked to this group. This would be a more conservative approach. We use socials, dates of birth, home phone numbers and cell phone numbers to identify other linked groups that could be for the same consumer. The logic is that if you talk to a consumer about one group of accounts, even though you may be allowed to attempt the consumer shortly after, about the other accounts, *you may prefer to not take a chance, by waiting the required number of days.*

The "A" option allows you to do something similar to the "C" option, but it will look for contacts with the same consumer, on accounts that could be in any of your other active companies. As an example, if you do early out work and bad debt in different companies, you could use this option to only talk to a specific consumer once in any 7-day period, even if the accounts were in different companies.

Here is a sample screen that shows you the new options related to Reg-F.



- What about the challenge of accurately coding an RPC? To be conservative (and defensive) we have an option on Page 4 of the System Parameters called :

“Contact is RPC (Y)”

As discussed, the system controls for call counting and call controls have an option to specify a number of days to wait after an RPC. The only way to know there was an RPC is based on the agent's input. That would depend on the event or smart code used by an agent. To handle agent errors or mistakes in setting up a smart code, we have given you a method of using the last contact date, instead of the last RPC date, in the calculations. Use "Y" in this field to indicate that *any contact* should be used in counting the number of days to wait after an RPC.

Since the last contact and RPC dates are updated based on smart codes, *you do not need to have a dialer or use one of RMEEx's integrated dialers to meet the requirements related to contacts*. It will be necessary for agents to apply a smart code that is defined as a contact or RPC. If the agent did not code the effort accurately, an integrated dialer can recognize and code connects (state rules) or contacts (client rules), regardless of smart codes applied.

Our technique for stopping calls due to a Reg-F requirement, will be to mask the phone numbers. Currently, we indicate this with “NO CALLS” in the account detail screen. We have enhanced this. There can be multiple reasons for masking numbers and we will display the following messages.

- **** NO CALLS **** (usually because of max calls limits)
- NO CALLS-REG-F (7-day or similar contact rule - Days to wait after RPC)
- NO CALLS-DC (Due to a description Code - The code will be displayed)

- NO CALLS-Incon (Inconvenient time to call)
 - NO CALLS-ACP (Outside allowed calling period)
 - * OUT of TZ * (Outside allowed calling period)
-
- Warning agents about recent contacts

This is one more feature to help you to manage call frequency and conversations with a consumer. *It does not depend on the Reg-F edits being set up.* If you have call frequency rules set up, and Ref-F edits are active, phone numbers could be masked to stop numbers from being attempted if there was a recent contact. In the interests of warning agents that there has been a recent contact or RPC within a 7-day period (you indicate whether contacts should be counted as RPC's), we will push a pop-up before the account is displayed (does not check for Reg-F edits being set up).

We will look for a possible contact :

- within the linked group,
- within other accounts not linked to the account but in the same company, and
- across all active companies

Intelligent account matching is done based on social, DOB, home and cell phone numbers. If we find an account that has had an RPC or contact, we will warn the user, along with where we found the contact (in the linked group, in others in same company or across companies, in that order). Here is a sample screen.

We will not pop this warning message if the user has access to "Payment Entry" in system security.

MAIN MENU		RMEx QUANTRAX CORP	
Company	99 Acct # 001656491	Home Phone	-5204
Client Number	000002 ST MARY'S HOSPITAL	Work Phone	-7656-
Owner	COL4 WorkerCOL4 Split	Cell Phone	
Client Acct #	BP0011263	Follow Up Date	
		Promise Amount	.00
Guarantor	0 LOUCKS AMANDA T	Amount placed	734.99
Extra Address		Balance	1204.07
Street Address	1220 E MAIN ST	Total balance	1204.07
City/State/Zip	GREAT FALLS CA 90210	No. Of Accts	1
		INQUIRY 000 M	
<p>CONTACTED WITHIN 7 DAYS In this linked group</p> <p>ENTER</p>			

- What about stricter controls for managing attempts after an RPC? On Page 4 of the System Parameters, there is an option, "Stop 7/7 access-Y,C". This option allows you to *stop access* to accounts that have been contacted within a short period of time based on the rules in the "Phone number restrictions by state" and the options set up in "Wait days after RPC/Type". We can look at the rules in this option and the type, and can stop access if there was a contact within the given accounts, *across all of your active companies*. This takes the most conservative path for limiting attempts to a consumer after a contact or RPC, in that linked group, for all accounts in the company or for all accounts in all the active companies you have defined. Use "Y" to set up the option for all users. Use "C" to apply the option for users set up as collectors in System Security. These are very strict controls that will mask all phone numbers and even stop a user from accessing account details, effectively stopping an agent from discussing an account, or other accounts for the same consumer that were not linked for some reason.

OVERRIDING THE 7-DAY CONTACT RESTRICTIONS

The restrictions apply to outbound calls and *not* to inbound calls. What happens when a consumer gives you consent to call them back after an RPC, within the 7-day waiting period? You must be able to call back, which means we have to ignore the normal controls and display the full consumer phone numbers. You can enter a number of days between 1 and 7 in the field “Can contact for”. This will calculate a number of days and update the “Days until” field, which will then show the date up to which you can contact the consumer. Until that date, the phone numbers will be unmasked, even though you had a contact within 7 days. You can also enter a date in the “Days until” field, instead of specifying a number of days and having the system compute the date. These changes are documented in the notes.

Below is a sample screen with these fields.

The screenshot shows the RMEx Quantrax Corp account detail screen. At the top right, it says "RMEx QUANTRAX CORP" and "EXIT". The main content area displays account information:

- Category: INQUIRY 000 A Coll 42 42
- Acct number: 002028256 - 99
- Guarantor: REG REG
- Home phone: 464 332 3366
- Street address: 100 SEA LANE
- City/State/Zip: BETHESDA MD 45453
- Client: 001082 BUILDTOPIA
- Cl.Acct#/L.Trn: 44654654654
- Amount placed: 107.00 on 11/17/21
- Balance: 107.00

Below this is a section for "Additional account information" with fields for:

- Original creditor
- Original account#
- Country code
- Guarantor Last Name
- Guarantor First Name
- Last RPC/Contact: 11/21/21 11/21/21
- Interest charged: .00

The "ITEMIZATION TO PLACEMENT" section shows:

- Bal: 100.00
- Int+: 50.00
- Oth+: 17.00
- Last Pmt: 60.00
- Pmts-: 40.00
- Adj-: 20.00
- Date: 5/06/20

At the bottom, there are three fields highlighted with red boxes:

- Last contact date: 11/21/21
- Can contact for: [input field]
- Days until: 11/23/21

At the very bottom, there are buttons for "F7-Exit" and "F12-Update", and a status line: "VALIDATION Sent - Period ends R/M".

What about an inbound call, where the agent is not able to access an account because of a recent contact? If access is blocked, on the search screen, you can indicate that you have an inbound call by keying in “IN” in the “X” field. See below. This will temporarily remove the controls and take the user to the account detail screen. The account will be documented in the notes as “Access given for inbound” ensuring that your agents use this option with caution!

Account Inquiry
Company name Quantrax Collection Enterprises

Search Type	Search Data	
1 - Acct number	a) Attc#	b)
2 - Name	Last name	First name
3 - Client account number	Account#	Account# (Contd)
4 - Social security number	Soc.sec# (or last 4)	
5 - Street address	Street address	Address (Contd)
6 - Home phone number	Home ph# (xxxxxxxx)	
7 - Place of employment	POE	
8 - Phone numbers	Phone# (xxxxxxxx)	
9 - Primary balance	Primary balance	
10 - Account number with comp	Company and Attc#	
11 - Guarantor name	Last name	First name
12,13,14,15 - Multi-company search	Guar:Name, Cl.Acct#, Address, Home Ph	
20 - Date of birth	DOB (01/15/75 enter as 011575)	

Search

Company code 99

Search type 01

Search data a) 789817 b)

Only open (Y) (Name search) X IN

12,13,14,15-Guar.name, Cl.acct#, Address, Home#

Most recently accessed accounts

99-000881677	FOXX
99-000999947	JONES
99-001684167	DOYLE
99-000908104	TESTING
99-001657189	NELSON

F3-Sounds like F9-Purge F12-Multiple Accts F20-Recalls F24-Num.Cl.Acct# F7-Exit

These options give you the ability to flexibly control access to recently contacted accounts. You can be extremely defensive or give your agents more flexibility. The only option you can not control is the masking of numbers for 7 days, depending on the way you set up the rules. The only way to override this control is to obtain consent from the consumer and set up a number of days to allow a new contact to be attempted or made.

TEXT MESSAGING

We have made changes to the system to efficiently support 2-way texting.

Presently, incoming texts that can not be matched to an account can be worked by different people. Once the texts can be matched to an account, they can be worked from within an account using the texting history.

What about texts that come in and *can be matched to an existing account*? They need to be read and responded to, quickly! How do we do that? We have designed the following.

- Incoming texts can currently cause a smart code to be applied. The option is on the company texting system controls
- From within a smart code, there is an option for “Immediate Transfers” on Page 6 of the smart codes - “Transfer immediately (Y,O,S,T)”. The “T” option is new
- “T” means “Transfer the account to the worker on the account, if they are working at the time (have accessed an account in the last 10 minutes).
 - If the worker on the account is not active, we will look for the notes added in the last 10 minutes. If there is a collector associated with the most recent note, we will transfer the account to that collector
 - If the the option did not find an appropriate collector, we will look for all the collectors who are active and give the account to the person who has had the least number of incoming texts transferred to them for the day (we will keep track of that).
 - What if no agents are available? For example, it could be a weekend or late at night. Within the text messaging system controls (Company options), on Page 2, there is an option “User ID for text message distribution when no agent is available”. This is the default for transferring an account via “Immediate Transfers” (Timed recalls). We expect to notify an agent with a special warning, that there is text message they need to check! (GUI only)
 - What if you have inexperienced agents and you do not want them to handle incoming text messages? We have a solution! On the last page of Collector Update, there is a new field “User handles incoming texts (N=No)”.

With this ‘Equal distribution’ of text messages, you have a powerful feature that gets a text message to a person who can respond without any delay.

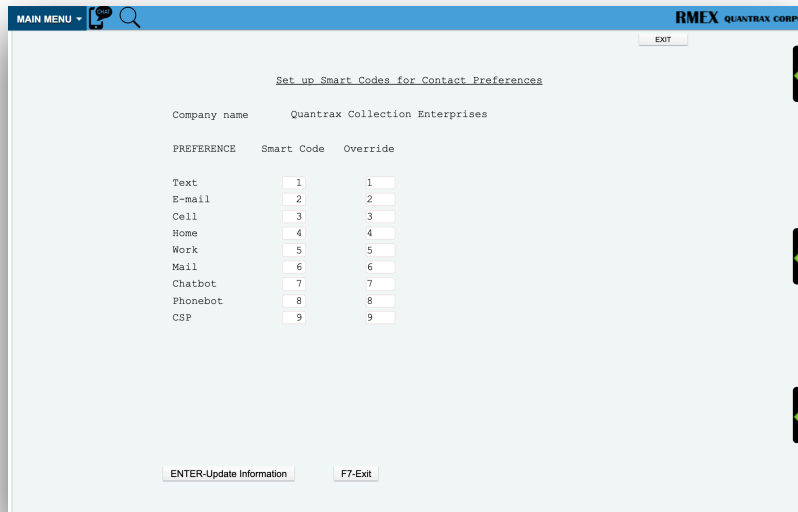
- cell phone numbers refer to the numbers on the account detail screen, since these are designed to be the best available numbers for a consumer
- We allow these preferences to be updated by agents. The system will also change these options based on a consumer’s interaction through the different channels (e.g. texting and the chatbot)
 - The communication channels are displayed on the “Inconvenient times” screen from within the “Other phones” window. They cannot be changed on this screen
 - To review and update the outbound channels, key in “PRE” for “Preferences” on the Smart Code field on the account detail screen. Confirm the changes and the consumer preferences will be saved. Use “Y” to indicate a preference supplied by the consumer. Use “W” if we (you) determined that was a suitable communication channel and use an “N” if the consumer does not wish to be contacted using that option or method. When there is no information, you can leave the option blank (“b” option). When information is changed, the prior settings for the 9 options are documented in the notes (the 9 flags before the changes were made are stored)
 - Inconvenient times to call (F2 from “Other Phones”) will also be integrated with RMEEx, when possible. If you use a hosted dialer, it is possible that numbers will be attempted at inconvenient times because *we cannot control activity on a 3rd party dialer*. RMEEx will mask numbers when it is an inconvenient time to call. Under these circumstances *it is strongly recommended that these accounts be separated and manually worked*
 - The consumer preferences are linked with RMEEx and our integrated products like texting and dialing. If a preference has been set to ”N”, that option will not be used. For example, texts will be stopped, mail will not go out and home, work or cell numbers could be masked!

Here is a sample screen of the contact preference set up.

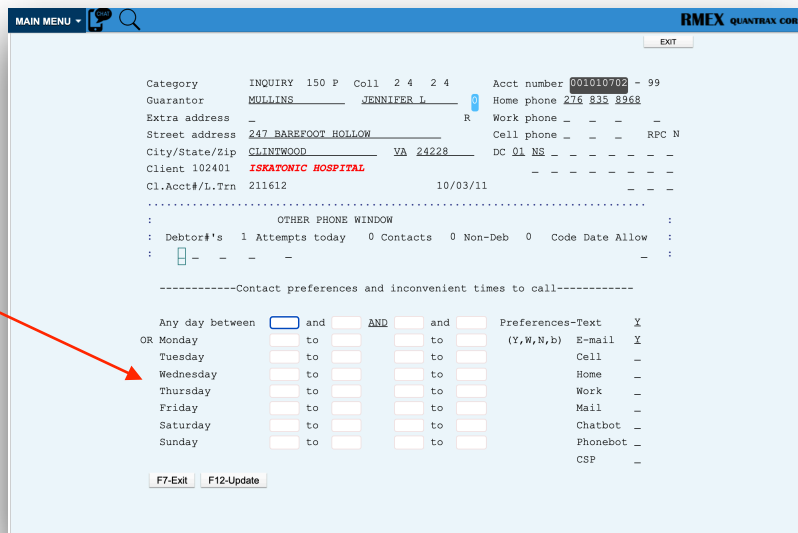
The screenshot shows the RMEEx interface for account management. The top header includes 'RMEEx', 'QUANTRAX CORPORATION INC.', and a 'Chat' button. The main area is divided into several sections:

- Company Information:** Company (03 Acct # 161200030), Client Number (000028 MEDICAL CENTER), Owner (HOUS WorkerHOUS Split), Client .Acct # (74404).
- Guarantor Information:** Guarantor (0 MEDICAL JOE), Extra Address, Street Address (7330 ARROWOOD STREET), City/State/Zip (BETHESDA MD 20817).
- Financial Summary:** Home Phone, Work Phone, Cell Phone (301 -755 -3877), Follow Up Date, Promise Amount (.00), Amount placed (100.00), Balance (100.00), Total balance (100.00), No. Of Accts (1).
- INQUIRY 000 M** (A blue button).
- CONTACT PREFERENCES--** (A central pop-up window):
 - (Y, W, N, b)
 - Text
 - E-mail
 - Cell
 - Home
 - Work
 - Mail
 - Chatbot
 - Phonebot
 - CSP
 - CONFIRM (Y)
 - ENTER (A button)

To allow you to change strategies when a consumer preference option is changed to a “Y” or “N”, you can have smart codes applied when these values are set up. The option is displayed when you exit the Smart Codes system controls. This will be one of the options you see. There is ? logic to check if the flags are “Y” or “N” (Starts with “PREFERENCE”). The smart codes will be applied when the preference data is updated. All the options are checked, regardless of whether they were changed or not.



And here is “Inconvenient times to call” (F2 from “Other Phones”).

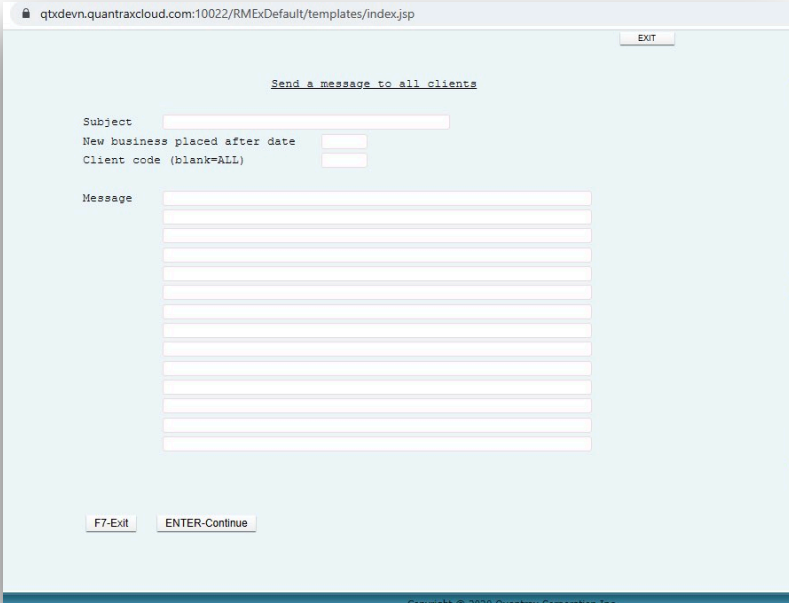


You were only able to access the inconvenient times to call if you were on the GUI. We have made a change to allow access from the green screens. You are reminded that all of our clients *must move onto the GUI product!* We will be creating many new features that will ONLY be accessible with the GUI.

E-MAILING YOUR CLIENTS

There are other changes to support the new requirements. As we said in the overview, “Most of you will need to contact your clients and let them know that changes will be coming. How will you do that? We give you an option to create an e-mail and send it out to all of your active clients, using e-mail addresses stored on the client master. The new option is on the Periodic Reports Menu area, on “Client List”. There is a new option. “Send E-mails to clients”.

You will be presented with the following screen.

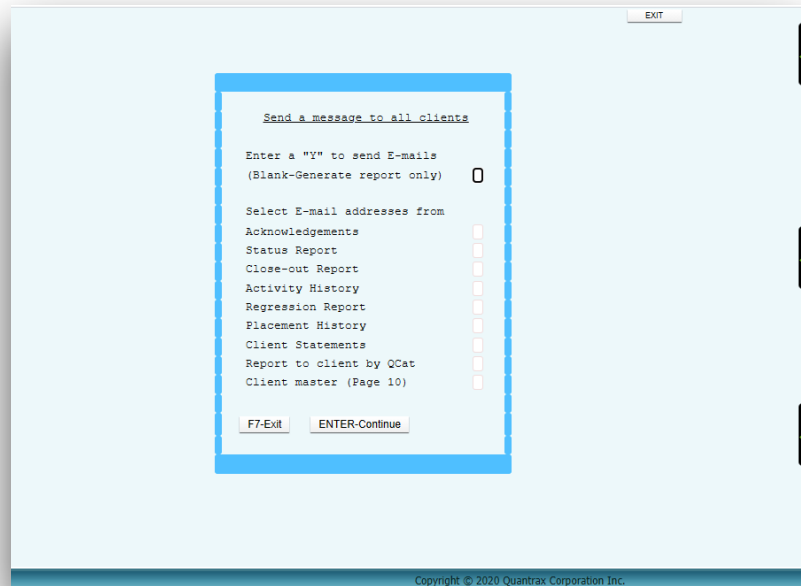


The screenshot shows a web browser window with the URL `qtdevn.quantraxcloud.com:10022/RMExDefault/templates/index.jsp`. The page title is "Send a message to all clients". The form contains the following fields:

- Subject:
- New business placed after date:
- Client code (blank=ALL):
- Message:

At the bottom of the form, there are two buttons: "F7-Exit" and "ENTER-Continue". The footer of the page reads "Copyright © 2020 Quantrax Corporation Inc.".

You specify a subject, a date that will be used to select clients (with placements after that date) and the message text. You will then get the following screen.



This option can send e-mails to all your clients. *Use it with care!* We have added a client code selection to allow you to test the option with a single client.

This screen brings in the options that we can use for e-mailing of reports to clients. You can set up different e-mail addresses for each report. You can also set up an e-mail address on the client master (Page 10) and use this address from within this option. This screen allows you to define what email addresses you want to use. Only one e-mail will be sent out per e-mail address, even if that e-mail address appears multiple times in the database.

This option requires that you have set up an e-mail option from within RMEx (KeyesMail or International Presence).

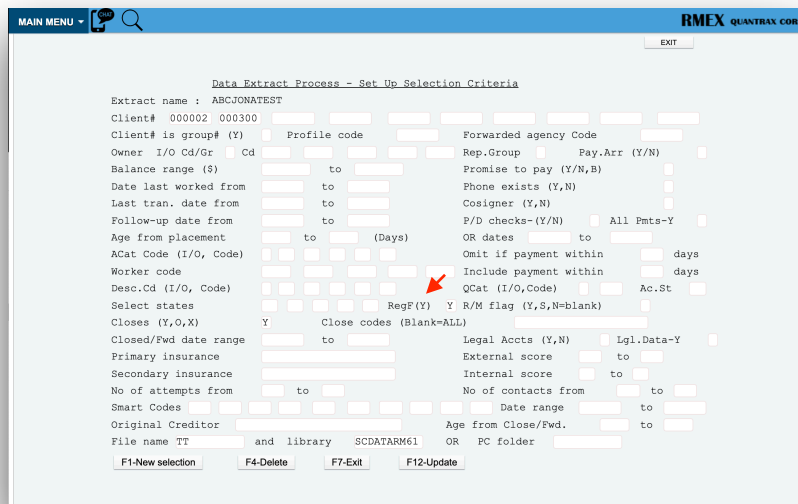
DATA EXTRACTS

We have made the following changes in Data Extracts to support Reg-F. If you need to create an extract with the data extract information, there is a new selection “RegF(Y)”. A “Y” in this will add the following Reg-F fields to the end of the file. There are no individual fields to select. All of them are created and output in the following order. This may be useful if you want to create a forwarding file (we do have a comprehensive forwarding module).

- Itemization date
- Itemization code
- Original balance
- Interest Added (includes interest added in RMEx)
- Other fees added
- Payments received (includes amounts added in RMEx)
- Adjustments added (includes amounts added in RMEx)
- Last payment amount (to client)
- Last payment date (to client)

For this option to work correctly, the first two fields on the data extract must be company code and case number.

The record length of the data extract file will be increased to 1,000, to accommodate the additional fields.



Important note - Data extracts have been modified for some users. If you set up the option and do not get the expected results, please contact Quantrax. We can make the necessary changes for you. (Quantrax will need to look for the CL’s EXTRCTNTCL and EXTRCTRUC2 and copy the modifications into the current version of those programs).

SMART CODES

We have made the following changes.

- Phone codes - On Page 9 of the Smart Codes, there is a new option “Change phone code _ to _”. This option will read all the linked accounts and change all the matching phone codes to the new code, provided the new code is a valid phone code.
- Stop mail - We have added an “R” option to “Stop Mail” on Page 7 of the Smart Codes system control set up - Stop mail (YN*R). The new “R” option will change the returned mail flag to a “Y” and update the commission rate if applicable.

CLIENT MASTER CHANGES

Remit types -

We have added a new option to Remit Types - Type (GBNCM). “M” is the new option and stands for “Mixed”. You can produce a single statement that is on a net basis, but the client is billed for paid client commissions (those fees are not netted out of the money due to the client). You must contact us if you wish to use this option. We will need to modify your remittance statements, if they are customized.

Special roll-up

We have added a new option to allow you to roll up multiple accounts into a single account and keep individual account information on a separate screen. Please make sure you contact Quantrax before you set this option.

Duplication of client data

We have added ‘Reg-F’ data to the items that can be duplicated. All the Reg-F related fields will be duplicated across the group.

REPORTS

ACTIVITY HISTORY - We have always had a report called the “Activity History”. There is some misleading information on it, but many clients have insisted that it has great value. The controversy is a result of the information in the last columns. The rest of the report is similar to the placement history. The last columns show total payment in the period but *not payments against the placements in the period* (which is also shown). For example, you could have placements of \$100,000 for January 2020 and payments of \$60,000 for the period of January. The YTD recovery percentage (last column of the report) will show 60% which is clearly not accurate. As you move down the rest of the months for the year, the YTD recovery percentage (Total payments for the year divided

by total placements for the year) will become more meaningful because much of what you collect would be from placements for that year.

We used to show payments in the period, in the last columns. We have added a new option (Option 11) for an Activity History by company, to show the total commission for each reporting period. This should balance to your total commissions for the month!

PLACEMENT HISTORY - We have added a placement history by state code. This could be useful in analyzing licensing requirements

CLIENT LIST - On the client list options from the Periodic Reports Menu, the first two options that sort by client number and name will give you a screen to select an "Optional Start Year". This will allow you to obtain a list of clients who were set up in a given year.

PAYMENTS BY COLLECTOR - In addition to the existing reports, we have modified the option "Payments by collector for a period" from within the Payment Transactions menu. There is a new option "Print alternate format (Y)". This will create a report that prints one line per collector, showing the payments posted, and INCLUDING the pending money transactions (checks and credit cards from payment arrangements). We will give credit to the correct agents by looking at the distribution order of the payment across the links and different balance types, as opposed to looking at the primary account!

SETTING UP THE SYSTEM FOR REG-F

In general, you will make plans and work with different areas of the system based on your requirements. *You will need to carefully plan the timing of the final changes, based on the rule date of November 30th.* You can do several things prior to the rule implementation date.

- November 30th, 2021 is a Tuesday. Depending on how you interpret the rule date, you will have to decide how you post business and generate letters on the week of the 29th. To avoid any confusion about whether the rule applies to business placed on or after November 30th, or letters generated on or after that date, we recommend that you consider NOT posting new business on the 29th. If you post new accounts on the 30th of November, you can turn on the “Reg-F flags” on that morning (or the previous day) and work under the new rules from the 30th morning. You can test account loads and the new validation letters today, by turning on the flag at the client level only
- You must set up a default itemization code on the System Parameters, if you do not plan to set one up for each client. This can be done ahead of the rule date. You can set up the code at the client level by using an option that will update all clients or individual client types (e.g. “M” for medical). Within the Management Menu, there is an option “Duplicate client report options”. There are multiple options within that, and one of the screen headings (after you use F7 and exit) is “Change options for all clients”. To this option, we have added the ability to force the itemization code, “Force itemization amounts option” and the “T- option” to all client records. To only select certain clients, you can specify a client type or a Remit Code.

You can use this option to set client level defaults.

Remember that an itemization date can be supplied for each account. If it is not provided, the system will use the last transaction date as the itemization date. The itemization code can also be supplied at the account level. If it that is not done, we will check the client and then the default on the system parameters.

- We have a new report (Management menu – Additional options (19) - Active clients who may not be set up for Reg-F). This option will produce a report of clients who have placed this year and may not have been set up for Reg-F (no itemization code or “force balance” option). If the client number appears on the report, the client will need to supply the new itemization amounts with their placements
- Multiple accounts on a single validation notice - The accounts that are selected to be included on a validation notice after the Reg-F edits are activated, will be driven by the “Content code” that is set up on the letter codes file. *This is a critical set up option.* For your validation notices, you must go to the second page of the Letter Codes system control file and set up the content code. We have assumed that a single letter can include multiple accounts for the same client placed on the same

date, *only if the itemization dates are also the same* (types E and F). Multiple letters will be created for different itemization dates.

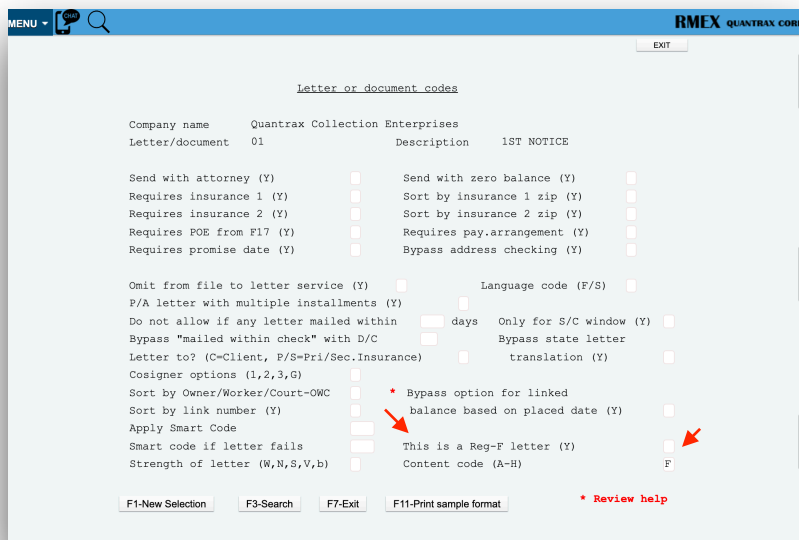
On legal advice, we have only included accounts with the same itemization date on a single notice. We have had requests to include multiple itemization dates on a single letter but do not wish to take those risks.

The “Include accounts with the same itemization date” logic is *not* applied to the special validation letter reports that can be run ahead of the rule implementation date. For these reports (and the update option), we only look at same client and same placement date. See the “Content Codes”, below.

The valid content codes are :

- A - All open
- B - All active (open and closed active)
- C - Individual account
- D - Payment reminder
- E - Same client, same placement date, same itemization date, all open (Itemization date will not be considered for the special pre-implementation reports we have created)
- F - Same client, same placement date, same itemization date, all active (open and closed active) - Itemization date will not be considered for the special pre-implementation reports we have created
- G - Same client, open
- H - Same client, active (open and closed active)

Do not forget to update your new letters that will be transmitted to a printing service or will be printed in-house, with the flag to indicate that they are Reg-F letters.



You can now set up these options. *It will not cause any problems.*

PROGRAMS THAT NEED TO BE CHECKED FOR CUSTOM MODIFICATIONS

LETPRINT - Letter printing
LETPRA - Letter pre-processor
LETPRINTWT - Word interface for letters
DYMLRE - Mail returns
Mail return interfaces with letter vendors
DYACLI - Linking changes
DYACLK
DYACLP
LINKXCH - Changing primaries
LINKXCHA
LINKXCHA1
LINKXCHNB
LINKXCHNO
LINKXCHNOA
WACINQ and related programs - Account inquiry
WAPINQ - Account processing screens
ACMENT - Account entry
UCLNT - Client update (Inquiry is ICLNT)
COLDR2* Programs - Account processing queues
CRDREPM2 - And related programs for credit reporting
ACLOD2 - Account load edits
ACLOD2P
WACSUM - Linked account summary
BTCONS - Contact series changes for one letter per day Option C
NTINT - Interest calculations
ONLINA - On-line client account entry

