

NACM Credit Learning Center
Credit Basics

Session 3: Granting Credit: Regulatory Considerations

Presented by

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With

William C. Edgar, CCE

Zippo Manufacturing Company

Review of Session 2: Documenting the Credit Relationship

- Documenting the credit relationship requires Preparation:
 - Who makes the credit decisions?
 - Who reviews the decisions?
 - How are the decisions enforced?

Review of Session 2: Documenting the Credit Relationship

- Does the credit agreement fit in the relationship?
 - Order Process
 - Order Acknowledgement
 - Terms and Conditions
- Important Considerations



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Review of Session 2: Documenting the Credit Relationship

- Include Enhancements:
 - Guarantees
 - PMSI
 - Liens
 - Letters of Credit
- Other Forms:
 - Invoices
 - Reminders
 - Demands/Notices

William C. Edgar

- Has been involved in credit management since 1977
- Zippo Manufacturing Company, Credit Manager, 1983-Current
- Board Member, National Association of Credit Management of Western Pennsylvania, 1988-1991
- Received Certified Credit Executive (CCE) certification from the National Association of Credit Management (NACM), 1991
- Member, Foreign Credit Interchange Bureau, 1991-2002
- Author of the article, "Motivating a Credit Department" which was published in Business Credit magazine, February 1997
- Member of the Editorial Advisory Board for Credit Today Magazine, 2000-Current
- Member, Credit Research Foundation, 1991-current



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PREPARATION

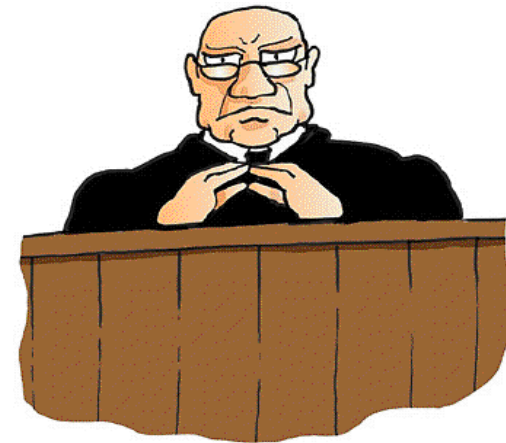


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Preparation

Do the policies comply
with the law?



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Extension

- What is safeguarded?
 - Customer information
 - Guarantor information



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Collection

- Abusive attempts or harassment
- Accepting credit cards
 - Protecting customer information



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COMMERCIAL

V.

CONSUMER

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FEDERAL STATUTES AND REGULATIONS

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Federal Statutes & Regulations

- Equal Credit Opportunity Act (ECOA)
 - Coverage
 - Highlights
 - Adverse action and spousal guarantee



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Federal Statutes and Regulations

- Fair Credit Reporting Act (FCRA)
 - Primarily consumer coverage



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STATE STATUTES AND REGULATIONS

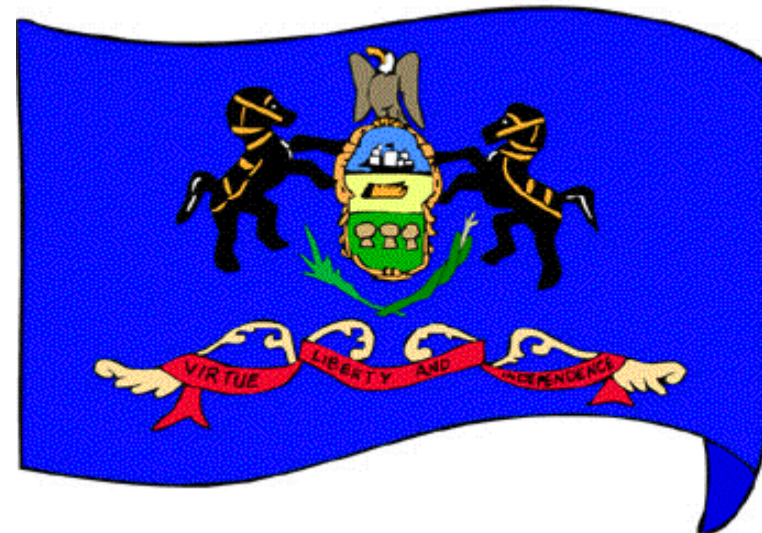
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State Statute and Regulations

- Examples
- Pennsylvania
- Fair Credit Extension Uniformity Act (FCEUA)



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Summary

- Extension
- Collection
- Commercial v. Consumer
- Federal Statutes and Regulations
- State Statutes and Regulations

Thank you.

Look for Session 4:
Delinquencies and the Collection Process

The logo for Bernstein Law Firm features the word "BERNSTEIN" in a large, blue, serif font. Below it, the words "Law Firm" are written in a smaller, white, sans-serif font, with "Law" and "Firm" separated by a vertical line. The text is set against a dark blue rectangular background. A large, light blue, stylized graphic of the letters "B" and "L" is positioned behind the text.

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Robert S. Bernstein, Esq.

- Certified by the American Board of Certification in creditors' rights and business bankruptcy.
- Active member of the NACM and PACM.
- Member of the Association for Conflict Resolution as a trained mediator.
- Past president and treasurer of the Commercial Law League of America.
- Past chairman of the Allegheny County Bar Association in the Bankruptcy and Commercial Law Section, the Technology Utilization Committee, the Professional Ethics Committee and is a member of the Finance Committee.
- Bob was named a Pennsylvania Super Lawyer in 2004, 2005, 2006, 2007 in the area of bankruptcy by the *Philadelphia* magazine.
- Writes and lectures for local and national groups on matters of collection, bankruptcy, business law, and professional ethics.
- Author of *Get P.A.I.D A Guide to Getting Paid Faster* (Business Credit Publications, LLC 2007)



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Get P.A.I.D.TM A Guide to Getting Paid Faster (And What to do if You Don't!)

- In this seminal book, he provides a solution, *The Get P.A.I.D.TM System*, that can transform a business by increasing profit, enhancing the relationship with the customer and reducing overall marketing costs. Get P.A.I.D.TM : A Guide to Getting Paid Faster advances a radical new philosophy, suggesting that credit policy is not just about collections. It is a business strategy to enhance customer relationships and add value to a company.
- The strategy discourages businesses from providing easy credit to their customers based upon the commonly held belief that easy credit will lead to stronger customer relationships. It usually leads to added cost and friction. The book outlines Bernstein's 4-Step Program to prompt payment and provides a "Collections Toolbox" to help businesses better manage their credit policies.



www.getpaysystem.com

Bernstein Law Firm, P.C. is a law firm located in Pittsburgh, Pennsylvania with many satellite offices located throughout the state. The firm concentrates in Creditors' Rights, Bankruptcy and Restructuring, and Business Law. In addition to its more than forty years of experience in these areas, the firm's capabilities include Banking, Administrative, Real Estate, Civil and Appellate Law.

Bernstein Law Firm has more board-certified Creditors' Rights specialists in Pennsylvania than any other law firm.

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