

# Meridian Financial Services Announces Insights For Timeshare Debt Collection Compliance

*Navigating Debt Collection in the Timeshare Industry Can Be Complex*

ASHEVILLE, NC, UNITED STATES, October 31, 2024 /EINPresswire.com/ -- Navigating Debt Collection in the Timeshare Industry Can Be Complex

Understanding Debt Collection Regulations

As Compliance Manager at [Meridian Financial Services](#), responsibilities encompass ensuring all debt collection practices align with local, state, and federal regulations. This role includes overseeing staff training, enforcing adherence to relevant laws, managing disputes, and coordinating litigation efforts when necessary. By upholding high standards and following strict legal guidelines, the role supports fair, professional, and respectful collection processes that benefit both clients and consumers.



Gregory Sheperd, Chief Executive Officer

The regulatory oversight spans a broad range of duties, from debt verification to building solid relationships with timeshare resorts and their owners. Adherence to crucial laws, such as the Fair Debt Collection Practices Act (FDCPA), the Telephone Consumer Protection Act (TCPA), and the Fair Credit Reporting Act (FCRA), is essential in safeguarding consumers and outlining the proper procedures for collections, communication, and credit reporting.

Debt collection for third-party agencies like Meridian is governed by stringent regulations. The FDCPA establishes clear guidelines to ensure fair and respectful practices. Although timeshare resorts may not be classified as debt collectors under the FDCPA, Meridian, acting on their behalf, complies fully with these regulations, navigating the legal framework to ensure

compliance at each stage.

Before an account is placed, documentation from clients is thoroughly verified. This includes confirming that the resort or association has the legal right to impose collection costs, late fees, or interest. For loans, promissory note terms are reviewed to ensure any defaults are handled appropriately, whether through balance acceleration or additional fees. This careful verification process is crucial in maintaining compliance and accuracy, confirming that all paperwork is in order and that the resort can legally enforce its claims.

#### Managing Disputes Efficiently

Under the FDCPA, as well as state and local regulations, consumers have the right to dispute debts sent to collections. Managing these disputes is a vital part of operations. Upon a consumer dispute, a strict validation process is followed, often involving the provision of detailed account history and supporting documents like deeds or purchase agreements to confirm liability. All responses to disputes are required within 30 days.

Disputes frequently arise when consumers perceive credit report errors, though often no error exists. The team works closely with major credit reporting agencies to resolve these concerns. For instance, the compliance coordinator processed 4,753 credit reporting disputes by September 15th, with an anticipated total of 6,500 by year-end. Each dispute is reviewed to ensure accuracy in credit reporting, helping prevent unnecessary misunderstandings.

#### The Role of Technology

To manage high dispute volumes and comply with complex regulations, Meridian uses a web-based, Metro2-compliant system called "E-Oscar," facilitating streamlined dispute processing between data furnishers and consumer reporting agencies. This automation supports timely, accurate dispute responses and regulatory compliance.

A predictive dialer equipped with programmable compliance features is employed, prioritizing adherence to federal, state, and local calling regulations. The system optimizes call distribution,



Sara Disher Ratcliff, CCCP Compliance Manager

The logo for Meridian Financial Services features the word "MERIDIAN" in large, bold, blue capital letters, with "financial services" in a smaller, blue, lowercase font below it. To the right of the logo is the tagline "YOUR RECEIVABLES RECOVERY EXPERTS" in a blue, sans-serif font. The logo is flanked by two circles: a green one at the top and an orange one at the bottom. Below the logo and tagline, the text "Meridian Financial Services" is written in a blue, sans-serif font.

**MERIDIAN**  
financial services

YOUR RECEIVABLES  
RECOVERY  
EXPERTS

Meridian Financial Services



Disputes often arise when consumers believe there is an error in their credit report, but in many cases, our research shows that no error actually occurred”

*Sara Disher Ratliff, CCCP  
Compliance Manager,  
Meridian Financial Services*

balancing performance with regulatory obligations.

A compliance management system centralizes policies and procedures, providing employees easy access to compliance resources across all operational levels.

#### Ensuring Legal Communication

Effective communication is a core focus, with written notices as one tool for compliance with local, state, and federal laws, including regulations on phone communication. Transparency is key, ensuring that each interaction with timeshare owners remains legally

compliant.

Meridian uses comprehensive scrub processes to obtain accurate location information, aiming to establish positive right-party contact. If account validation documentation is unavailable, collection is not pursued. When proper documentation is present, systems help identify updated consumer information, supporting efficient, compliant collections.

#### Rising Delinquency Trends

In recent years, delinquency rates have risen among legacy resorts, where a previously concerning 10% rate has now reached 20%, 30%, or higher. Factors like an aging owner base contribute, with many original owners now unable to travel or maintain financial obligations. Maintaining proper reserves and implementing effective resale programs could help address these issues.

The COVID-19 pandemic exacerbated challenges as financially impacted timeshare owners struggled to meet obligations, placing further strain on many legacy and smaller resorts.

#### Flexible Payment Options as a Solution

Offering flexible payment options effectively reduces delinquency. Many owners prefer settling accounts over remaining delinquent, and manageable payment options allow resorts to work with owners on mutually beneficial agreements, promoting long-term stability.

Resorts that adapt to owners' financial needs with flexible solutions are more likely to see successful collections, a proactive approach that prevents the accumulation of delinquent accounts and financial strain.

#### Shifting Vacation Habits

Vacation habits have shifted, with today's travelers favoring shorter, more frequent trips over traditional week-long stays. Resorts have responded by offering options like split-week vacations or internal exchanges, which appeal to owners but complicate inventory management, impacting

collections processes.

### Challenges for Smaller Resorts and Associations

Smaller, self-managed resorts face unique challenges in managing delinquent accounts. While these resorts may lack the resources of larger operations, effective collections remain attainable. Meridian does not impose minimum requirements for units or owners, working closely with each resort to understand its specific needs.

Recognizing that some organizations may lack resources for reminder calls, Meridian offers this service, often on a contingency fee basis, ensuring assessments owed remain unaffected.

Incomplete or outdated records can complicate collections, particularly as accounts approach the statute of limitations. These challenges are seen as collaborative opportunities to develop tailored solutions that best serve the resort's needs. Solutions may include recovering inventory from delinquent owners or re-educating owners toward settlements, helping resorts make informed, strategic decisions that align with their circumstances.

A flexible, customized approach ensures that services align with the resort's or association's best interests.

### Key Planning Takeaways

Maintaining regulatory compliance is critical for timeshare resorts facing shifting vacation trends and rising delinquency rates. Legacy resorts encounter additional hurdles, such as incomplete records and an aging ownership base. Flexible payment options and adapting to new vacation preferences help reduce delinquency and sustain positive owner relationships. For smaller resorts, effective resource management is essential when dealing with older accounts. A clear debt collection strategy and legal compliance are vital for long-term success.

### About Meridian Financial Services

Since 1989, Meridian has specialized in first- and third-party collections for the timeshare industry, providing tailored financial risk management services and effective tracking and reporting tools to service partial or whole portfolios.

Meridian is committed to building strong client partnerships with a focus on long-term success, maintaining an exemplary compliance record, and being fully licensed in the states where it operates.

For more information on how Meridian Financial Services can assist a timeshare resort or association, contact Gregory Sheperd at (828) 575-5179 or email [gsheperd@merid.com](mailto:gsheperd@merid.com). The team is ready to provide tailored solutions to meet specific resort needs.

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