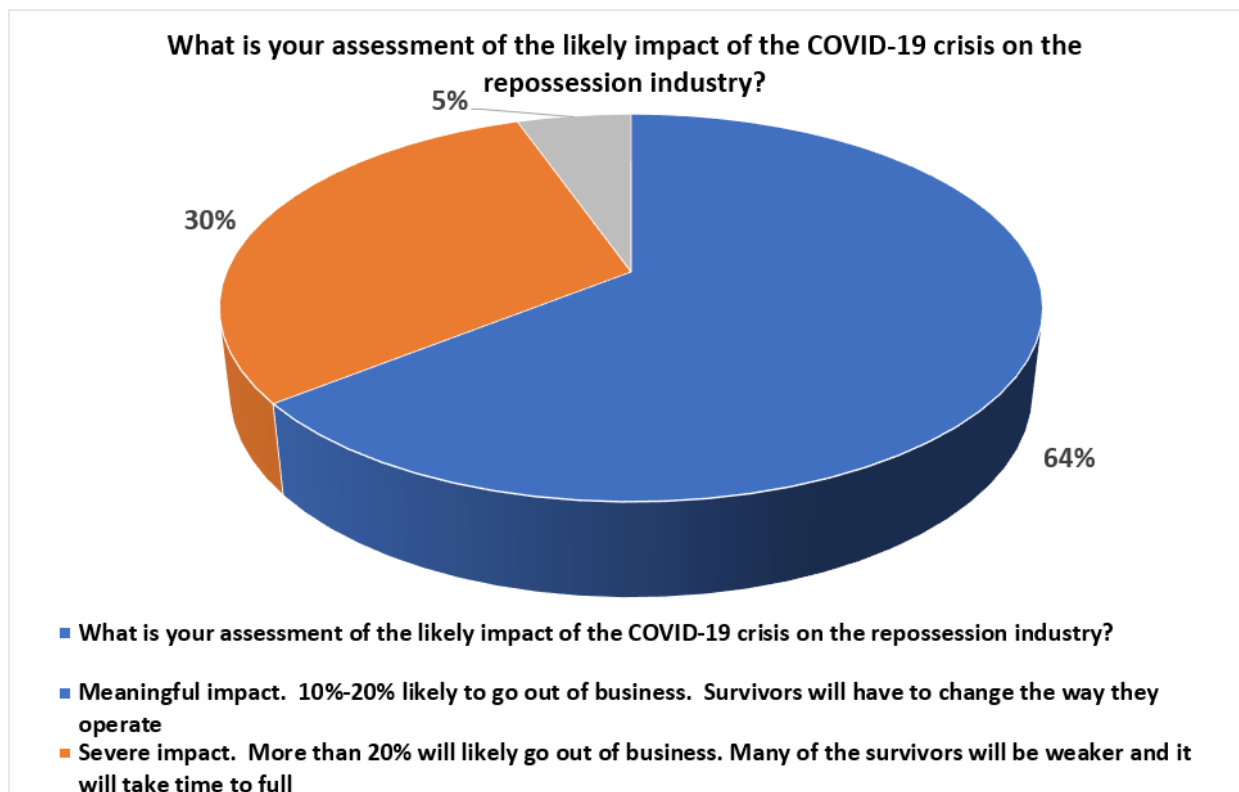


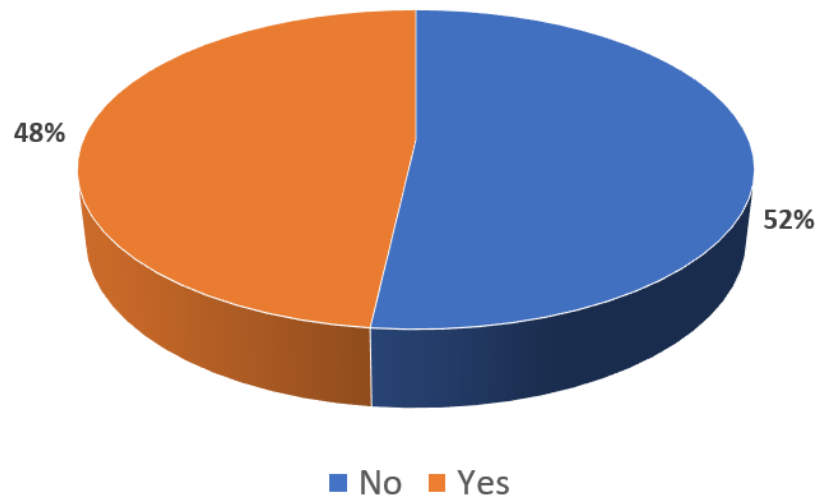


American Recovery Association “Develop a Sustainable Business Model that can Withstand any Crisis” Post Webinar Survey Results

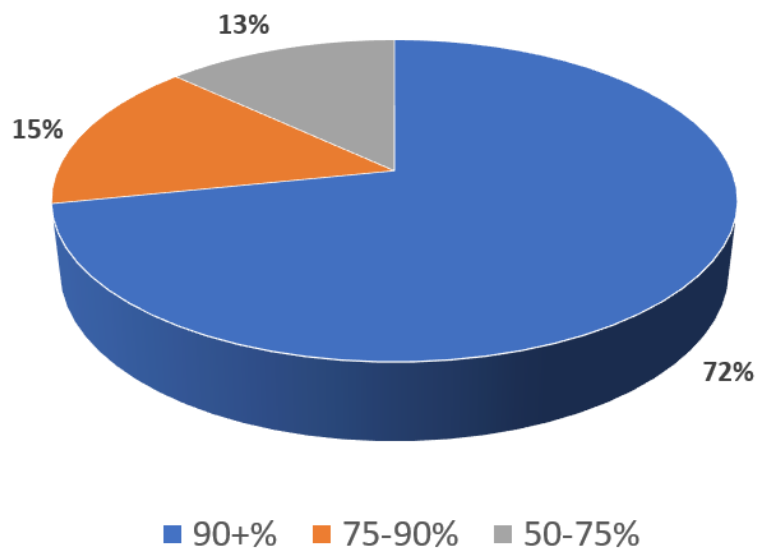
On May 1, 2020, the American Recovery Association presented our Nationwide Industry Webinar: “Developing a Sustainable Business Model”, where we spelled out some industry best practices. Following the event, we sent our agency owner attendees a survey intended to develop some understanding of the current state of the industry at this time and to further understand the implications that this national emergency will have on the future of the auto recovery industry. Below are the results.



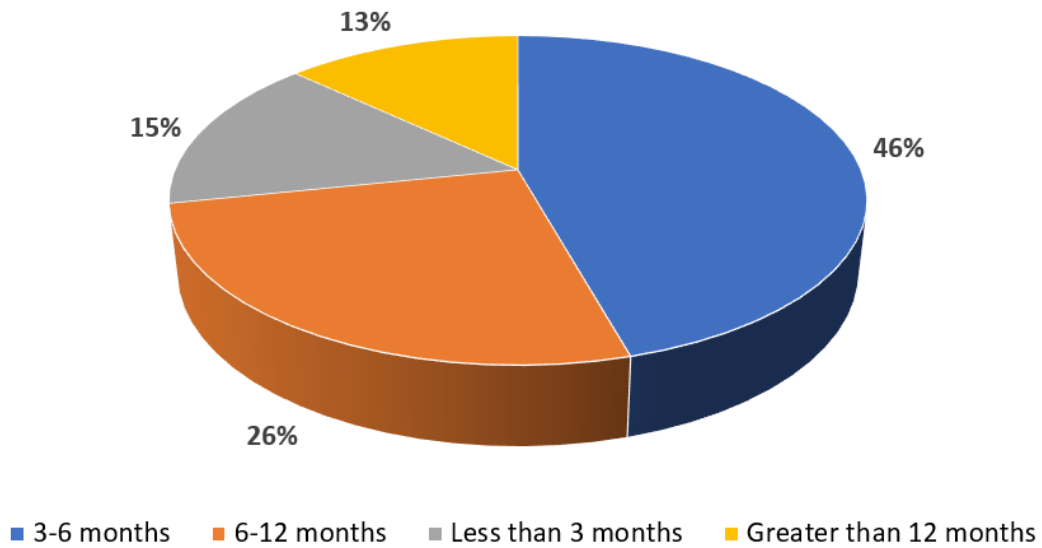
Did you receive, or do you expect to receive, funds under the CARES program?



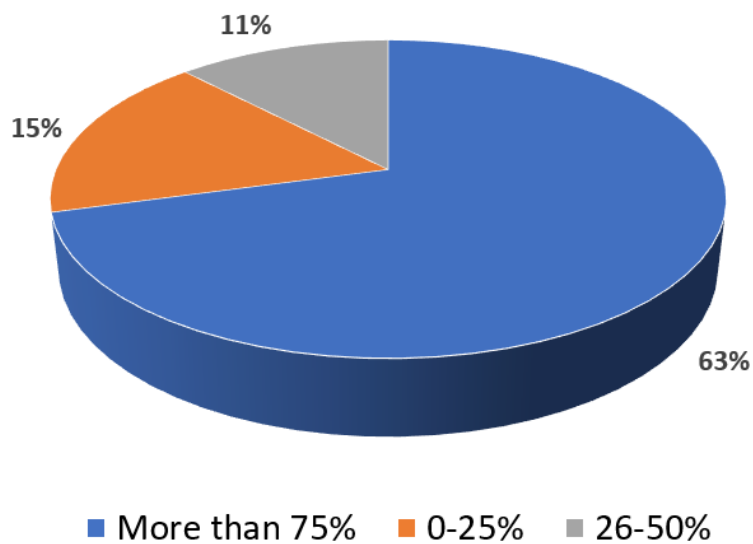
Approximately, how much has your average daily assignment flow fallen off due to moratoriums?



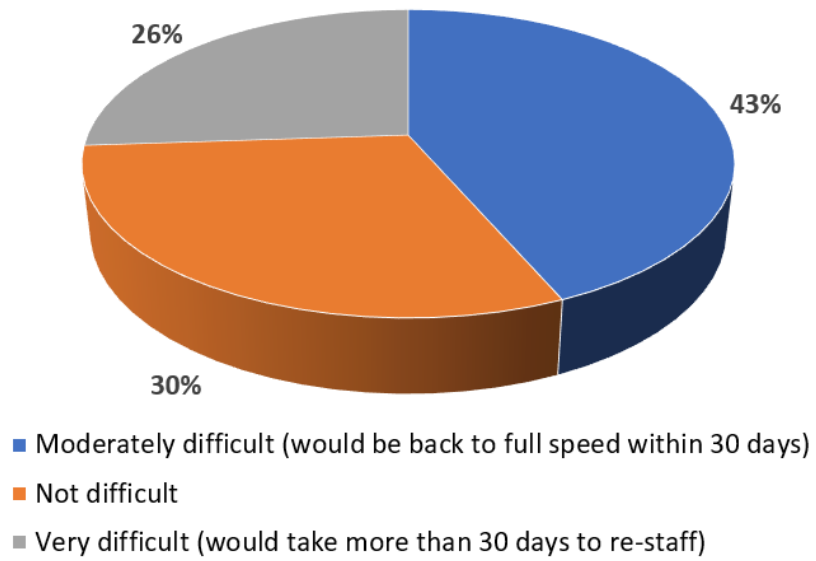
How long do you feel your agency could remain in business under the current conditions?



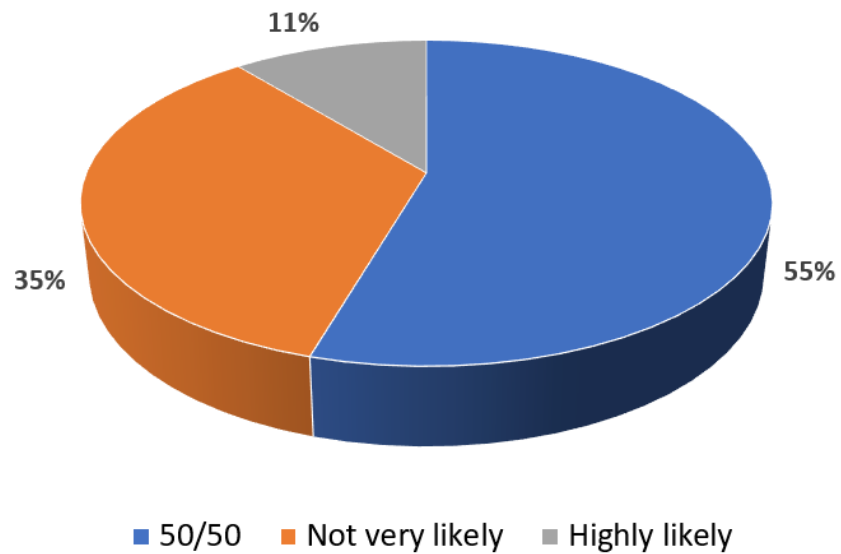
What % of your office staff (non principals) have you had to terminate or furlough?

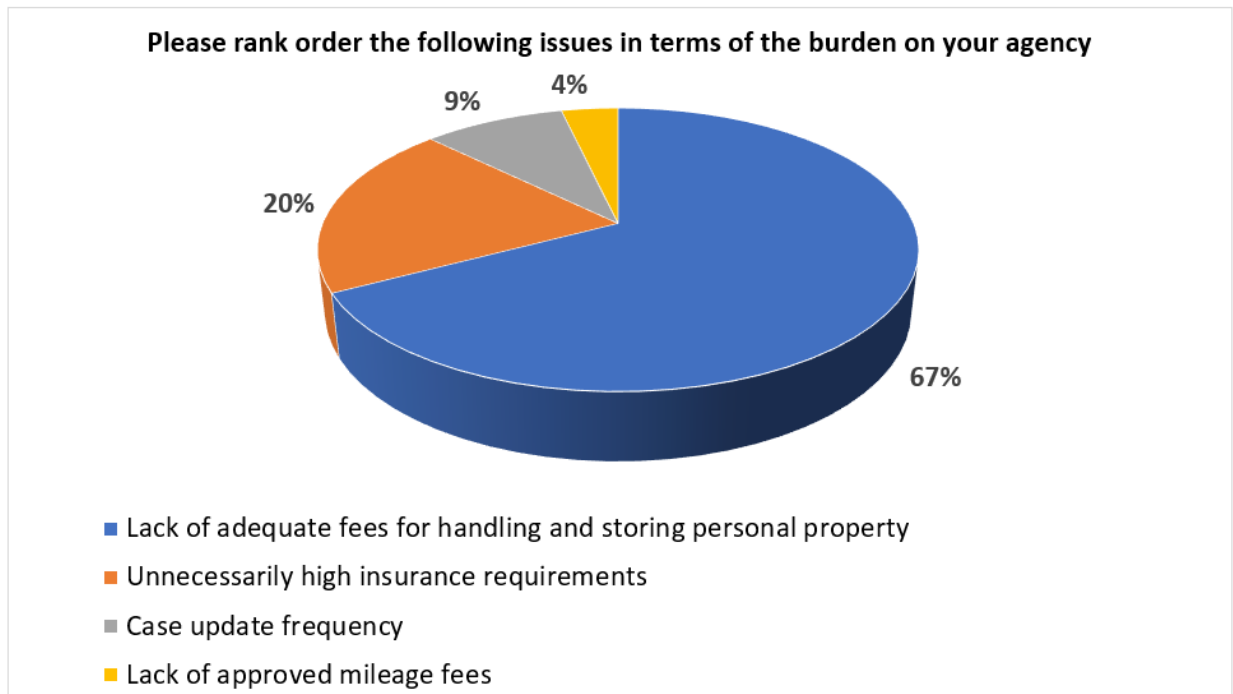


If the moratoriums largely stay in place for another 60 days, how difficult do you feel it would be to bring back your trained staff?



How likely do you feel it is that your agency will be forced out of business due to the COVID crisis and resuming operations at pre-COVID profit margin?





In addition to the standardized questions, a free form question was also asked; ***“What changes do you expect to make in your operation if/when things begin to normalize?”*** Below are some of the responses from the attendee agency owners;

- Increase in Fees -- All Services will be charged -- No free storage -- All Ancillary Fees Will Be Charged
- Reduction of forwarding customer client base by 85% will only keep the ones willing to conform to the new standards.
- Reassess compensation contracts.
- Same basic safety precautions
- Better contract terms
- PPE for all employees. Transport, redemption and personal property appointments will be effected immensely having to spread them out further.
- Higher rates, no free ancillary services. Our terms, no negotiations
- None at this time
- We have already told two forwarders that we will not be able to resume handling their work until we are paid in full and we will start holding them to timely payments - we also expect to start asking for more mileage fees and may demand some contract addendums
- Try to get paid by forwarding companies
- I will need to raise fees because of lost revenue and due to the fact that I have to provide some services free of charge or at a loss.
- Working with PPE, only working with clients who pay well, leaving items in the unit until we determine if they will redeem, we would love to charge more for repos due to added hazards and cost, limited updates - once a week only, getting rid of over demanding clients. Not sure yet what other changes will occur. I can't rank the below items but in order they are, case update frequency, lack of fees for handling and storing personal property, lack of approved mileage, insurance, in that order

- Lots of frayed nerves and paranoid people as employees, debtors, and suppliers need to take extra time to do the cleaning protocols...but the banks will not pay for our extra services and costs of PPE and procedures. Handling Personal Property has ALWAYS been a pain in the neck. I remember a LONG email chain with a GREAT customer trying to explain the many reasons why we needed to charge for personal property. And now it is much worse with many banks expecting us to assume liability with no cost to them.
- Cut down labor cost in office, abbreviate office hours
- There will be major safety changes and to offset that there must finally be changes for fees for services rendered
- We are committed to make the operations side more efficient - i.e. - re-tool several process.
- Charge more
- Asking for storage and repo rate price increases
- Fee structures and charges for service performed that Pre-COVID we have been unable to charge for. I intend on losing a percentage of about 30% of my business because of the implementation of these new fees.
- Hope to be able to weed out a few clients who pay under \$300 and give more focus on direct clients who pay a decent rate.
- Handling of personal property! Has anyone asked the Forwarders what changes they will be making? What makes forwarders successful? Forwarders will be the biggest threat to small business Repossession companies!
- Haven't a Clue just yet.
- I plan to be sure to build up a larger cash reserves in case this ever happens again. I may also stop our DRN scanning as I don't feel it is that cost-effective any longer and also fire some clients, such as title loan companies, with poor accounts and poor reimbursement.
- Strong social distancing and appointments only
- Raising fees due to required service required with repossessions.
- Running the company leaner, better watching expenses and approvals.
- To just say no. We will bet our clients and any that do not produce a fair margin will be cut. Question 9 all dots should be checked.
- Cutting more keys
- Requesting more transport opportunities
- Proactive on requesting ancillary fees
- Move/push towards getting flatbed or dolly fee for known AWD and 4x4 vehicles on LPR"
- Purchase of PPE for drivers, overhaul property removal and inventory procedures, truck sanitizing procedures and redemption/transport policies and procedures
- We will stop working for forwarders and only take work that has potential for a good profit margin. We will only ramp up as there is quality work for us to do so.
- In order for sustainability, we will have to address fees and what is expected of staff moving forward. Contracts need to be equitable.
- Fees have to go up, no free services and protecting our employees from the virus is top priority which will be at our expense
- Heightened awareness of contact with people and their vehicles pertaining to sanitation issues. Streamlining processes with clients (they all need to be on the same page, what works for one lender should work for another, if not they need to get on the same page). Trying to increase repo fees. We are taking on a higher risk now with COVID-19.

- Raising lowest acceptable rates for any account/client, closer assignment evaluation for success (higher decline rates), tightening radius for base rates, better strategic business focus on clients that we want to increase our relationships with and less focus on recovery volume.
- Pricing structures and Hazardous material handling as well as contract renegotiation.
- Raising prices and being very selective on which clients we accept.
- will prioritize higher paying clients, work on restructuring contracts with clients, learn to enjoy life more
- Telecommuting