

# May 2014 Strategy Call



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## Adding \$500 Case Value to your Chapter 13's with 720

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### Objective:

To give our partners an idea on how many attorneys are adding profits to their Chapter 13 cases with 720.

### What You'll Need:

- 1) 12 minutes to listen to the recording on this call.
- 2) Updated fee agreement when your client chooses to purchase 720.

### Downloads from this call:

- 1) [Click here](#) to download this May 2014 Strategy Call.
- 2) [Click here](#) to download the December 2013 Strategy Call with "720 Talking Points" (mentioned on this call).
- 3) [Click here](#) to download the April 2014 Strategy Call with Kenn Neeley and Philip Boardman discussing how they have increased their business by 25% in the last year by using 720 (mentioned on this call).

### Key Points:

- 1) If Chapter 7 reconciliation is not an issue in your clients' Chapter 13 case, then offer 720 to your clients for what they prepaid you in fees, and move your legal fees to the plan, which will only mean less for general unsecured creditors, as opposed to a higher plan payment.
- 2) If Chapter 7 reconciliation is an issue in your clients' Chapter 13 case, then offer 720 to your clients for an increased payment plan of \$9 per month. Once they follow our program, they will save hundreds of dollars per month.
- 3) Remember, your clients don't care about their credit score; they only care about what their credit score will do for them. I give a car loan example in the May 2014 strategy call.

## Call Transcription

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Welcome to the May 2014 720 System Strategies Strategy Call.

As you know, these calls are designed to give you ideas on how to use 720 within your bankruptcy practice.

Here is the basic premise on how to add case value to your Chapter 13's with 720.

For the most part, when our attorney clients are bringing in a new Chapter 13 case, the client pays the upfront filing fee of \$281, part of the legal fees are paid in advance, and part of your fees are paid through the plan.

Let's assume for this example that your representation agreement breaks up the fees like this:

- \$281 filing fee paid in advance
- \$500 legal fee paid in advance
- The remaining attorney fees will be paid out of the Chapter 13 plan.

As you know, the amount of legal fees in the plan usually has no effect on the amount of the plan payment.

In other words, if Chapter 7 reconciliation is not an issue, then more fees in the plan just means less for general unsecured creditors, as opposed to a higher plan payment.

In this example, on the signing date of your Chapter 13 clients, our attorneys are offering to sell their clients a subscription to 7 Steps to a 720 Credit Score for the amount the client has prepaid in legal fees when they retained them.

In this example, it would be \$500 that they prepaid in advance for legal fees.

The key is this: If the client agrees to allocating the \$500 in prepaid legal fees to a 7 Steps to 720 subscription, then the client signs a new representation agreement that day.

The new representation agreement will state that the buyer has now paid the \$281 filing fee, \$0 in attorney fees up front, and 100% of your attorney fees will be paid via the Chapter 13 case, and you will get paid an extra \$500 for enrolling people into 7 Steps to a 720 Credit Score.

Once again, if you are concerned about any type of impropriety or misrepresentation, this is why the client signs a whole new representation agreement.

For your client, this is a VERY exciting:

- 1) They get 7 Steps to a 720 Credit Score without any additional cost to them.
- 2) They get 7 Steps to a 720 Credit Score for 50% off the retail price of \$1,000.

**And as a byproduct, you have just added an extra \$500 in case value to your firm.**

When I asked our attorneys if the sale of 720 would need to be listed, the response was the following: Under SOFA Question #9 and the Rule 2016 Compensation Statement, it only requires disclosure of fees related to debt settlement or bankruptcy. So in this case, the sale of 720 would not have to be listed.

**That being said please check your local case law or practices in your jurisdiction, as some may be more stringent. As you know, I don't practice law and am not an attorney.**

Now, in the event the Chapter 7 reconciliation is an issue in the case, many attorney clients are simply bringing up 720 to their clients and asking them if they want to add it to their plan for an additional \$9 per month.

## Transcription, continued...

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If you have a district with a no-look fee, since the no-look fee is only the legal fee, charging \$500 for 720 doesn't mean you would go over the no-look fee. These legal fees would stay the same as before and you would charge an additional cost for 720.

Let's review something that I have brought up on previous strategy calls, but I think it's very important to review it here. And if you need a refresher on this, listen to the [December 2013 Strategy Call](#).

Your clients don't want a high credit score; they only want a high credit score for what that credit score will do for them.

The easiest way to get them excited about 720 is by asking them this simple question: "Do you plan on buying another car over the next five years?"

As you know, practically everyone is going to say yes to this question.

As an example, I am going to role-play how the conversation should go, assuming they are going to buy a \$15,000 car:

### BEGIN ROLE PLAY

"Mr. Client, since you said you plan on buying a different car in the next 5 years, let me explain something to you that is important to most of my clients.

If you wanted to buy a car today and you have a 720 credit score, you would get the lowest interest rate out there. Right now, it's at about 3%.

If you had a 659 credit score instead, you would pay an additional 7.44% interest rate, for a total of 10.44%. That means, you would overpay about \$100 per month for the same car.

Now, if you are sitting in front of me, you most likely have a credit score much lower than 659. Most likely, your credit score is between 500-550. That means you will overpay \$250 per month for the same car.

This is why I reached out to 720CreditScore.com. They have a program that cost \$1,000 and teaches people how to rebuild their credit after bankruptcy. The problem is that my clients can't afford \$1,000.

So I approached them about buying their program in bulk for my clients and we came to an agreement.

What's amazing is that it typically only takes 12-24 months after a person files bankruptcy to rebuild their credit to 720. Since I buy access to the course in bulk, I can include it in your chapter 13 plan for only \$500, or \$9 per month.

If we included this credit program into your Chapter 13 plan, the fees would only go up \$9 per month, however, as you can see, the savings can be hundreds and hundreds of dollars per month. Would you like to include this into your chapter 13?"

### END ROLE PLAY

Can you see what I mean about a person not wanting a high credit score, but instead wanting what a good credit score can do for them?

## Transcription, continued...

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So in summary:

1. If Chapter 7 reconciliation is not an issue in your clients' Chapter 13 case, then offer 720 to your clients for what they prepaid you in fees, and move your legal fees to the plan, which will only mean less for general unsecured creditors, as opposed to a higher plan payment.

2. If Chapter 7 reconciliation is an issue in your clients' Chapter 13 case, then offer 720 to your clients for an increased payment plan of \$9 per month. Once they follow our program, they will save hundreds of dollars per month.

3. Remember, your clients don't care about their credit score; they only care about what the good credit score can do for them.

Now, if you would like to brainstorm this or have personal questions, simple email me to set up a time to talk. My email is Philip@720SystemStrategies.com, or call me at 310-779-3898.

Also, if you have any ideas that you want to share for the good of the whole, please email me or call me.

I want to leave you with one last thought. On [last month's Strategy Call](#) we heard how Kenn Neeley and Philip Boardman have increased their fees, increased their retain rate AND increased their market share by 25%, even though bankruptcies are going down.

Don't buy into the conversion that the bankruptcy marketplace is horrible for everyone, because it's not horrible for everyone.

You are part of a program that is helping people get back on their feet and improve their lives, AND, as a byproduct, our attorneys are making more money.

Please let me know how we can help and support you in building your business.