

Everett-based Sentry Credit celebrates 31 years in business

"We're just the middlemen." Founded in 1993, the debt collection agency set out to buck the stereotypes.

- By [Janice Podsada](#)
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- [HERALD BUSINESS JOURNAL](#) [EVERETT](#) EVERETT — Don't blame these guys — they're only the middlemen.

Debt collectors aren't the most popular kids on the block.

It's as true now as it was in 1992 when James L. Stewart and Mike Mathis co-founded Sentry Credit, a debt collection agency.

They meant to call it Century Credit, but their business cards came back from the printer as Sentry Credit and they kept the name, Mathis said.

Sentry marks 31 years in business this year. It has an A+ rating from the Better Business Bureau.

"We want to dispel the notion that we're the bad guys," Stewart said. "I'm proud of what I do."

Lynnwood was home base for five years until they moved to Everett in 1997. In 2002, the pair bought a former post office on Grand Avenue in Everett.

Today, they employ about 100 people.

An Everett veterinary clinic, a local pizza chain, a Renton car dealership and a municipal golf course were among their first customers.

"We didn't have big clients and we wanted to prove ourselves," Stewart said.

Sentry's client list has grown and now includes several national banks, credit unions and large retail outlets.

The average amount of debt in a collections case is \$366, according to Direct Recovery, a national debt collection company.

Collection fees vary, but usually range from 25% to 50% of the amount the agency recovers.



“Best Place to Work” plaques hang on the wall at Sentry Credit, Inc. on Tuesday, July 25, 2023 in Everett, Washington. (Olivia Vanni / The Herald)

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No choice

The older the debt, the harder it is to collect, Stewart said.

A bill is considered delinquent the day after it’s due, but most businesses don’t hire a collection agency until it’s past due three or four months or more.

Turning over an outstanding account is often the last resort, particularly for smaller companies.

“I don’t always have the time to keep making these phone calls,” said an accountant at a boat repair company. She asked not be identified because she isn’t authorized to speak on behalf of their employer.

“I have a guy who’s six months overdue — he owes \$5,000 — and I can’t get him to respond. He doesn’t answer the phone,” the accountant said. “With the advent of phones that show who you are — people don’t pick up. I am hesitant to turn things over to a collection agency, but I have no choice.”

When customers don’t pay, it makes it tough for businesses to pay their bills, make payroll or turn a profit.

In collections, the first step is to find the person and confirm that the debt is theirs, Stewart said.

When there’s no forwarding address and no working phone number, the next step is to skip-trace the person, which simply means locating their whereabouts.

“About 80% of our accounts have to be skip-traced,” Stewart said.

“It’s our job to find that person,” Stewart said. “You look through the original application for clues, a phone number for mom or dad or an address.”

Under state and federal consumer protection laws, a debt collector must identify themselves up front. You can’t mislead someone or make false statements, Stewart said.

”We can’t say, ‘I’m Johnny’s best friend and I’m trying to find him,’” Stewart said.

A debt collector can ask an employer or a relative for a current address or phone number, but they can’t say why they’re calling.

“We cannot discuss the debt with anyone except the debtor,” Stewart said.

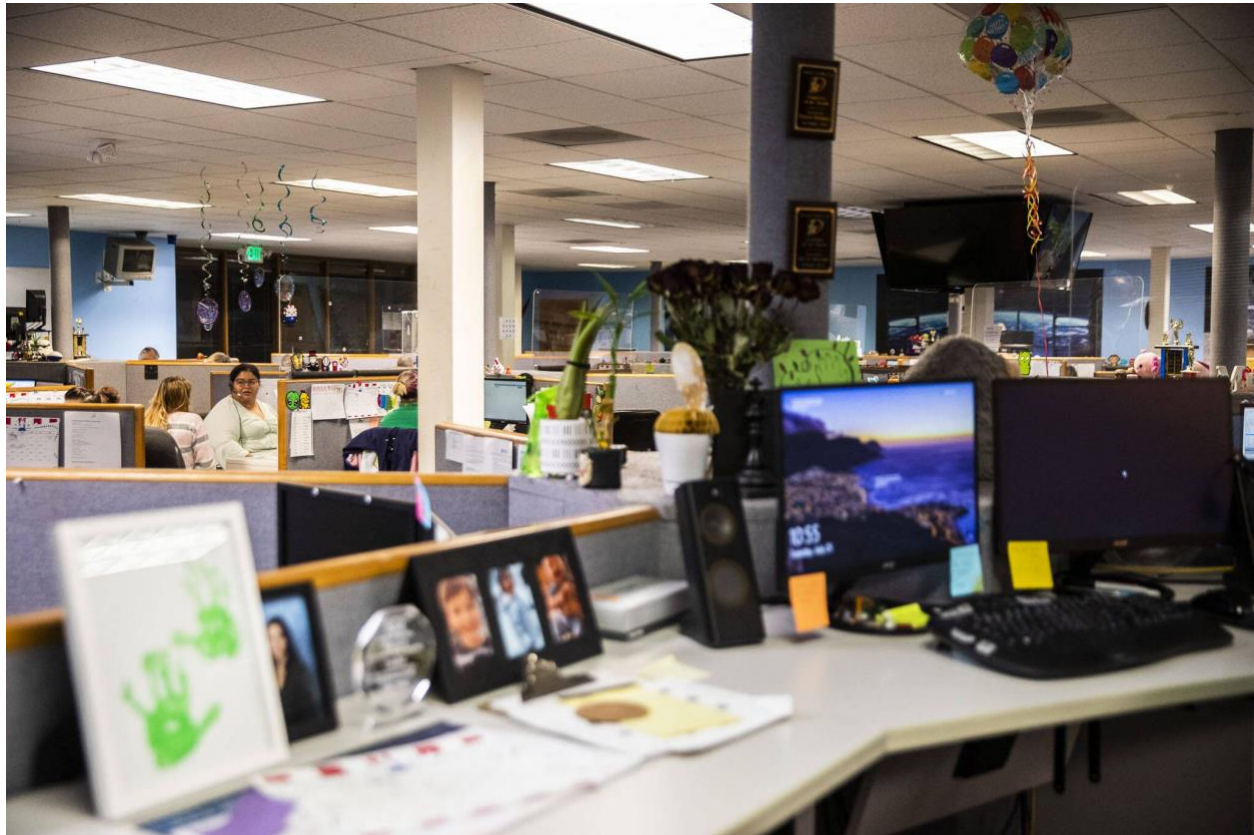
To make sure, the rules are followed, “all of our phone calls are recorded, incoming and outgoing,” Stewart said. “It’s protection on both sides.”

On average, Sentry will make about 400 phone calls to reach the right person, Stewart said.

“That’s the ratio right now because of technology,” Stewart said. “They’ll see it’s Sentry Credit calling and they won’t answer.”

The job got a little easier in November 2021, when the Consumer Financial Protection Bureau authorized the use of email and texts as a legal form of contact.

“It’s exciting,” Stewart said. “Texting can really get a person’s attention.”



Inside Sentry Credit, Inc. on Tuesday, July 25, 2023 in Everett, Washington. (Olivia Vanni / The Herald)
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Be a good listener

Stewart and Mathis ask employees to listen to what the consumer has to say.

A lot of people have valid disputes — an apartment might charge for a carpet that was old and worn to begin with, Stewart said. “It’s our job to work with the consumer. We’ll call the landlord. Sometimes it’s a mistake.”

“It happened to me,” Stewart said. Years ago, a property management company charged him for a worn carpet that was due to be replaced at seven years, Stewart said.

“The carpet didn’t look as fresh as when we moved in, but they tried to charge us for a brand new carpet when it was 10 years old,” he said.

If you have a fee dispute with a store, a landlord or a bank, your best bet is to handle it right away before it’s sent to collections, Stewart said.

If a debt does go to collections, don’t ignore the calls.

If you don’t respond, the creditor or the debt collector can report the debt to the credit bureaus, Stewart said.

Most people want to pay their bills, Stewart said.

When they can’t, it’s usually because they’re having financial trouble due to a job loss or medical emergency, he said.

“It’s our job to help come up with some ideas on how to pay it back. We try to work out a payment program as long as they show a willingness to pay.”

As a final resort, a creditor can file a lawsuit to try to recover a debt.

“If a client wants to proceed with filing a lawsuit, we have a legal department to handle that,” Stewart said.

Here’s some things debt collectors can do:

They can only contact you between 8 a.m. and 9 p.m. local time.

They can contact your employer or others and ask how to locate you.

They or their client can report the debt to the credit bureaus after they’ve contacted you and confirmed the debt.

They can file a lawsuit to collect the amount. Once they have a court judgment, they may be able to garnish your bank account or wages.

Here’s some things they can’t do:

They can’t contact you at work, if you ask them not to.

They can’t harass or threaten you, or tell your friends and family about your debt.

They can’t contact you if you’ve asked them in writing to stop.

For more information about debt collection from the Federal Trade Commission, go to ftc.gov and search “debt collection”

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