

## 'Repo man' urges frugality in these economic times



DECEMBER 22, 2008 12:00 AM • [NICK REISMANREISMAN@POSTSTAR.COM](mailto:NICKREISMANREISMAN@POSTSTAR.COM)

Brian Granger doesn't want to meet you.

It's nothing personal, Granger says. But you probably don't want to make his acquaintance, either.

Granger owns BG Lenders, a repossession business in Queensbury. Most people know him as a "repo man" - the person who recovers cars and other large-ticket items when their owners stop making loan

payments.

The only other profession that might be less popular is an agent for the Internal Revenue Service.

But Granger takes his job's bad reputation in stride.

"I've been knocked down a few times," he said. "It's only a dangerous business if you make it dangerous."

Affable and energetic, Granger spoke last week before a Queensbury High School accounting class of students in grades 10, 11 and 12 on the value of keeping a solid credit rating.

He came across more like a mathematics teacher or a life coach than the guy who would tow a Ski-doo snowmobile from a deadbeat's driveway under the cover of darkness.

"Your credit score is your biggest life value," he told the students. "Protect it as much as you can."

Armed with a marker and a dry erase board, Granger showed the students how a \$15,000 loan for a repossessed \$20,000 car could wind up costing the buyer an extra \$10,000 in fees.

Don't even get him started on the hit a credit report takes.

"When you go back to the dealership, it will say on your credit report, 'repossessed car,' " he said. "Now you have no car, you need a new car and now you're in the lurch for \$10,000."

The scarlet letter of a repossession remains on a credit report for five years in New York.

Gasps came from some of the students as Granger described the financial damage a repossession can do.

Their teacher, Tracey Bureau, liked what she saw.

"Is anybody scared?" she asked.

A former paralegal, Bureau remembers processing bankruptcy filings.

"I think to myself, 'If only we got to some of these people sooner,' " she said.

In one exercise, Bureau assigns her students to develop a budget based on a \$50,000-a-year salary. Many have difficulty managing, although \$50,000 is well above the median income in New York.

"They think that's a lot of money until they have to actually live on it," she said.

Bureau was glad her senior students were getting a lesson in financial management, since many will be graduating into a world of economic turmoil.

"They're going to have learn to live with a lot less," she said. "And be happy that less is more."

With the stagnating economy, Granger's business has boomed. He's hesitant to say how many repossessions he's done, because he doesn't want people to think he's profiting from their misery.

Besides, he's sure 2009 won't be the banner year 2008 has been. Banks have become more hesitant to dole out car loans.

Some won't even grant loans to people with credit scores in the 600 range, he said.

"The repo business is going to be cut in half next year," he said. "It's like no seeds are going into the ground."

But local banks haven't been shutting out potential borrowers, said Glens Falls National Bank spokesman Tim Badger.

"We're all using what we consider proven lending standards," Badger said. "We're still making all types of loans."

The full effects of the recession have yet to hit the area, he said.

"I'm sure people are experiencing some effects of the recession," Badger said. "We simply suggest and recommend that people use credit wisely. That really applies to any type of an economy."

Earlier this month, the Federal Reserve cut interest rates to a record low: 0.25 percent.

The low rates might have prompted borrowers to head to banks.

"One thing I would say is, we've been busy," Badger said. "I don't know of any community bank in the North Country that's not lending."

When it comes to protecting your credit, and balancing your personal budget, financial planning experts advise in favor of sweating the small stuff.

"It's things like coffee," said Linda Law-Saunders, a consumer science educator at Cornell Cooperative Extension in Hudson Falls.

"If you go and buy coffee, people aren't willing to stop their \$3 a day habit. It's the extras."

Law-Saunders counsels people who are deeply in debt or have trouble paying their bills by helping them prioritize spending.

"Lots of time, if people see their spending on paper, it makes more sense," she said. "I try not to put my biases in."

But a \$90 haircut, for example, is never a need; it's a want, she said.

"We discuss needs and wants and values."

Digging out of debt is difficult, but possible, she said.

"If they actively sought to get themselves into credit debt then it's going to be difficult," Law-Saunders said. "It is doable. It may take a while."

In Tracey Bureau's accounting class, Granger gave the students a similar speech on buying junk they don't need.

The top three items he finds in repossessed cars are lottery tickets, wrappers for french fries and loose change.

Recently, he found \$680 in scratch-off lottery tickets strewn around a repossessed car.

They were all losers.

"It's the coffee from the convenience store," he said. "It's downloading songs from iTunes, it's - how much do these sodas cost now? A buck fifty? It's all about living within your means."

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