

PARTNER PERSPECTIVE

FALL 2025

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Protecting Your Business Fraud Awareness in the Rent-To-Own Industry

“There is no rose without the thorn.” Unfortunately, there is no Rent-to-Own without fraud. When you offer a customer the opportunity to have an \$8,000 product delivered to them—with less than \$1,000 put down—you create an opening for bad actors to slip in and take advantage. Fraud prevention requires peering through the sea of genuine, trustworthy customers and spotting the sharks. Stay alert by recognizing these red flags.

One of the most common warning signs of fraud is when a customer requests delivery to a vacant lot. If there is no residence or visible signs of occupancy, it indicates the person placing the order does not intend to keep the product at that delivery address.

Another red flag is when a customer asks that the building not be leveled or blocked. Skipping this important step in

the setup process often signals that the unit is not intended to remain on the property long-term. Fraudulent buyers may only want the shed placed temporarily so it can be removed or resold more easily.

Similarly, requests for roadside drop-offs should raise concern. A legitimate buyer usually wants the building placed securely on their property. When someone insists on having it set near the road, it often means they plan to move it quickly without drawing attention.

Another tactic often used by fraudsters is calling after the point of sale to change the delivery address. While this might sound harmless on the surface, it is sometimes a way to redirect the unit to a location that raises fewer questions (or to hide the true destination altogether).

“Rush requests” and demands for expe-

LUMBER MARKET UPDATE

Market update provided by
David Fowler, *Three Oaks Trading*

Not a lot to report in the lumber market (or lack thereof). If you have seen the movie *Groundhog Day*, that pretty much sums up the market. Just another day of the same ole’ same ole.’

We continue to search for trading levels that will allow traders to generate a little profit between orders, which seems to be a difficult task with the market conditions that we have had in the last few months. The good news is that it has been a blessing for builders and customers. Pricing has remained flat to down for a while, resulting in lower costs in home-building and shed-building. My advice for manufacturers would be to build inventory at these levels. We are not going to have cheaper cost than we have today. If you think you have the sales coming soon, buy the lumber and build up inventory while we have reasonably low cost in lumber and panels.

Lumber products coming in from Canada and Europe are getting hit with global 10% tariffs as of October 14. This has caused a short-term surge in buying and selling. Demand will dictate whether this upward trend will continue. One thing that can be said is that we are moving off the bottom end of the pricing. If you need product or need to build field inventory, then I believe we will not see better prices for raw material than we are seeing now.

OSB panels are near a 25-year low. Buy what you need to build, and consider investing in some extra if you have that ability. Looking at all facets of the market, I do think higher pricing is in store for us out here in the field. Purchase wisely, but do not be afraid to be aggressive and take advantage of these price conditions that are out there for us now. As always happy trading and hope we are all successful at the end of the day!!!

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MEET OUR FIELD AGENTS

In prior Spotlights we introduced you to Heartland's Territory Managers, who serve as the face of Heartland to our dealers. Today, we introduce you to one of our Field Agents, who serve as the face of Heartland to our customers.

Field Agents travel a LOT. Our Field Agents meet with our customers, usually at their home, to try and rehabilitate delinquent accounts before they move to repossession. They serve as Heartland's eyes, ears, and heart. Field Agents have that face-to-face conversation; they hear the customer's life story; they understand the reasons for delinquency; and they provide a path forward for each customer's account, whether that be by collecting a partial payment, re-contracting the unit, or arranging a voluntarily pick-up.

Travis Parks joined Heartland in December, 2024. He shares his experience here:

Q: How did you end up working as a field agent?



I bought out my grandpa, and I continued to build, sell, and deliver sheds until 2015, when I shifted into full-time shed delivery.

In 2021, I sold my equipment and began working in dispatch for a shed transport company that ran a dozen trucks. Eventually I worked my way up to be serve as operations manager for them. I joined Heartland in 2024."

Q: What territory do you cover?

A: I currently work across Texas, Oklahoma, Kansas, New Mexico, and Colorado."

A: "I got my start in the shed business as a kid, working alongside my grandpa building and delivering sheds after school and during summer breaks. In 2008, my dad and

Q: What do you like about your job?

A: I really enjoy traveling and meeting new people, as well as finding ways to help them however I can."

Q: Where do you think the shed industry is headed?

A: "I believe the industry will continue to grow and expand its product offerings as customer needs evolve"

Q: Tell us more about your family:

A: "I've been married to my wife, Elisabeth, for almost 15 years. We have four wonderful children – Zachary (12), Emma (9), Gideon (6), and Levi (3)."

Q: What do you like to do when you're not working?

A: "I love spending time with my family, especially one-on-one time with each of my kids doing what they enjoy. As a family, we all like shooting guns, and in my spare time I enjoy building and repairing firearms."

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-ited delivery, especially of smaller on-lot inventory, also raise concerns. Scammers move quick and often prefer smaller units because they are easier to transport and have a broader resell market. If a customer is unusually eager to get the shed delivered, it is worth pausing to ensure everything checks out.

Ordering more than one unit at a time is another tactic that can suggest fraudulent activity. Yes, some customers legitimately need multiple buildings delivered at once. Fraudsters will arrange multiple deliveries at once to maximize their plunder before being discovered. Delivery to a residence that appears to have another building recently delivered (especially one not properly set up) can be a strong indicator the customer intends to flip your building to another.

Fraudsters commonly use unusual identification. If a customer provides an ID other than a standard driver's license, it may indicate an attempt to

conceal their true identity or to avoid being tracked. Dealers should always take extra care to verify who they are doing business with before completing a sale.

Finally, a flashing neon sign saying "fraud" lights up when a newly-delivered unit appears for sale on online platforms like Facebook Marketplace. If a building that was just delivered is suddenly listed digitally, it is almost certain that customer never intended to use it as their own and is instead trying to profit at someone else's expense.

By staying alert to these behaviors, you can protect not only your dealership but also the integrity of the Rent-to-Own industry. When something doesn't feel right, trust your instincts and reach out to your financing partner for guidance before finalizing the sale. Fraud prevention is a team effort, and your vigilance plays a critical role in safeguarding both your business and your customers.

DEALER FAQs

Q: How do I calculate a monthly Rent to Own payment?

A: Calculate the price of the building after add-ons and discounts. The monthly payment is then calculated by taking the total price and dividing it by the divisor on the terms sheet (dependent on 24, 36, 48, 60 or 72 month) and then adding the sales tax.

CHECK OUT OUR DEALER RESOURCES

