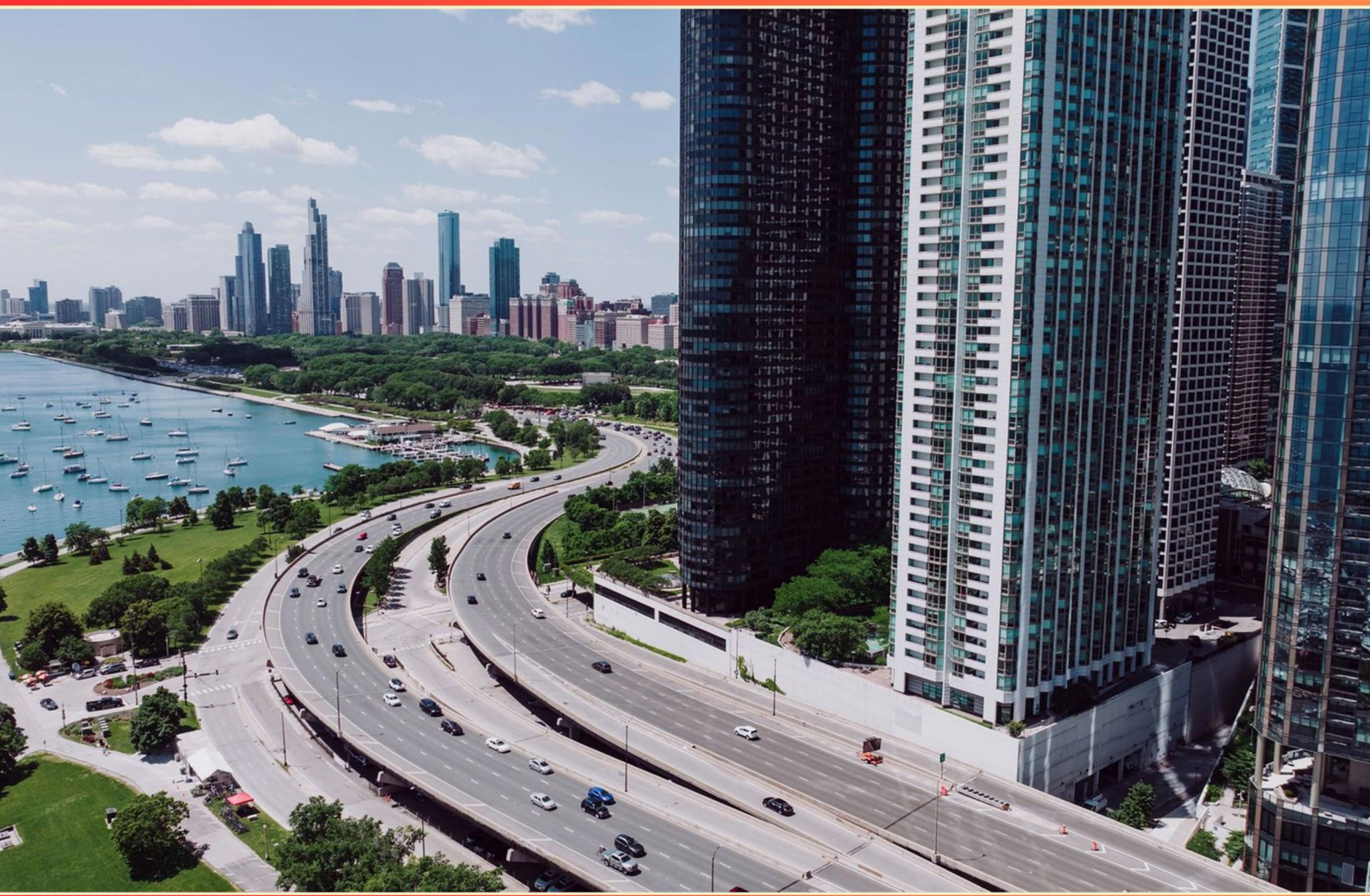
MICHIGAN COLLECTIONS MANAGER LICENSE PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://michigancollectionsmanager.examzify.com

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright 1

Table of Contents 2

Introduction 3

How to Use This Guide 4

Questions 5

Answers 8

Explanations 10

Next Steps 16

SAMPLE

Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

SAMPLE

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

SAMPLE

Questions

SAMPLE

1. Which of the following is considered a question of fact under Michigan law?

A. The Debtor name and secured party name

B. The times and place of disposition

C. The method of disposition

D. All of the above

2. Which document is crucial when initiating contact with a debtor?

A. A collection report from the creditor

B. A written notice detailing the debt

C. A consent form from the debtor

D. A report on previous debts

3. What must collections managers disclose when they first contact a debtor?

A. The total amount owed and the debtor's credit score

B. Their identity, the purpose of the communication, and the fact that they are attempting to collect a debt

C. The strategies they will use to collect the debt

D. Personal information about the debtor to validate the debt

4. Which of the following is exempt from renewal license fees if the department is notified in writing?

A. Active Duty licensees

B. Public sector employees

C. Licensees with pending penalties

D. Licensees with temporary permits

5. Define "creditor" according to debt collection laws.

A. An individual who has declared bankruptcy

B. An entity that extends credit or has a claim for payment

C. A government agency collecting taxes

D. A company providing goods without immediate payment

SAMPLE

6. What document must a licensee return after accepting a citation?

A. Proof of payment

B. A statement of disagreement

C. The signed citation

D. A professional reference

7. How can a collections manager ethically maintain consumer trust?

A. By using aggressive tactics to incentivize payment

B. By being transparent, respectful, and adhering to the law

C. By offering discounts for quick payment

D. By keeping all communications informal

8. What must a debtor do if a secured party requests?

A. Plead their case before defaults

B. Provide proof of their payment history

C. Make collateral available at a designated place

D. Notify the secured party of any upcoming sales

9. In consumer goods transactions, what should a secured party do with the surplus or deficiency results?

A. Transfer all rights of the debtor

B. Discharge the security interest held by the secured party

C. Discharge junior liens

D. All of the above

10. What happens if a buyer violates the terms of an installment sales contract?

A. They must pay a flat fee

B. The contract may be terminated

C. They are subject to legal action

D. They can renegotiate the contract

SAMPLE

Answers

SAMPLE

1. D
2. B
3. B
4. A
5. B
6. C
7. B
8. C
9. D
10. C

SAMPLE

Explanations

SAMPLE

1. Which of the following is considered a question of fact under Michigan law?

A. The Debtor name and secured party name

B. The times and place of disposition

C. The method of disposition

D. All of the above

In the context of Michigan law, each of the items listed—debtor name and secured party name, times and place of disposition, and method of disposition—constitutes a question of fact. Questions of fact pertain to objective elements that can be verified through evidence or concrete information. The debtor name and secured party name are fundamental to establishing the parties involved in a transaction, which can be objectively confirmed through documentation. Similarly, determining the times and place of disposition involves factual inquiries that can be addressed through records or statements related to the transaction. The method of disposition also includes factual matters, as it deals with how the disposition occurs, which can be supported by evidence like contracts, transactional records, or witness testimony. Therefore, by citing that all these aspects relate to factual determinations, the choice that includes all the above elements accurately recognizes them as questions of fact under Michigan law. This comprehensive view ensures clarity in understanding the factual nature of these components in legal proceedings or negotiations involving secured transactions.

2. Which document is crucial when initiating contact with a debtor?

A. A collection report from the creditor

B. A written notice detailing the debt

C. A consent form from the debtor

D. A report on previous debts

When initiating contact with a debtor, a written notice detailing the debt is crucial because it serves as a formal communication that informs the debtor of their obligations. This notice typically includes important information such as the amount owed, the name of the creditor, and any relevant terms of the debt. Providing this information upfront is essential to ensure that the debtor fully understands the purpose of the communication and the specifics of the debt. Additionally, having a written notice is not only a best practice but also a legal requirement under the Fair Debt Collection Practices Act (FDCPA) in many jurisdictions, which mandates that debt collectors provide written validation of the debt after their initial contact with the debtor. This helps establish transparency and protects the rights of the debtor by providing proof of the claim being made against them. While a collection report from the creditor, a consent form from the debtor, or a report on previous debts may contain useful information for the collector, they do not fulfill the legal obligation to notify the debtor about the specific debt in question. Without the written notice, the debtor may contest the legitimacy of the debt or may be unaware of what is owed, leading to complications in the collections process.

SAMPLE

3. What must collections managers disclose when they first contact a debtor?

A. The total amount owed and the debtor's credit score

B. Their identity, the purpose of the communication, and the fact that they are attempting to collect a debt

C. The strategies they will use to collect the debt

D. Personal information about the debtor to validate the debt

When collections managers first contact a debtor, they are required to disclose their identity, the purpose of the communication, and the fact that they are attempting to collect a debt. This is in accordance with the Fair Debt Collection Practices Act (FDCPA), which mandates that debt collectors identify themselves and clearly state the nature of the communication. This transparency helps to establish legitimacy and ensures that debtors are aware they are being contacted regarding a financial obligation, allowing them to respond appropriately. Disclosing their identity reassures the debtor of the legitimacy of the communication, while stating the purpose removes any ambiguity about the nature of the contact. The specific mention of attempting to collect a debt is vital, as it informs the debtor of their rights and creates a level of accountability for the collections manager, ensuring compliance with regulatory standards. This foundational communication sets the stage for a fair interaction between the debtor and the collector.

4. Which of the following is exempt from renewal license fees if the department is notified in writing?

A. Active Duty licensees

B. Public sector employees

C. Licensees with pending penalties

D. Licensees with temporary permits

Active Duty licensees are exempt from renewal license fees if the department is notified in writing because this provision is designed to support members of the military who are serving in active duty. During their service, these individuals may face challenges related to their ability to maintain a license, and the exemption from fees acknowledges their commitment to military duty and provides financial relief. This exemption typically requires formal communication to the appropriate department, ensuring that the status change due to active duty is adequately documented. This policy reflects the broader intention of various regulations to accommodate service members by alleviating unnecessary financial burdens during periods when they may not be able to engage in their licensed activities.

SAMPLE

5. Define "creditor" according to debt collection laws.

A. An individual who has declared bankruptcy

B. An entity that extends credit or has a claim for payment

C. A government agency collecting taxes

D. A company providing goods without immediate payment

The term "creditor" in debt collection laws is defined as an entity that extends credit or has a claim for payment. This definition encapsulates a wide range of potential creditors, including banks, credit card companies, and other financial institutions that provide loans or credit to individuals or businesses. Additionally, creditors can also include businesses that offer goods or services with the agreement of future payment. Understanding this term is essential within the context of debt collection since it identifies who has the legal right to collect debts. Creditor rights are also influenced by various laws designed to regulate the debt collection process, ensuring that creditors follow appropriate procedures when seeking repayment. Other choices do not fit the legal definition of a creditor. For instance, declaring bankruptcy does not pertain to making a claim; rather, it represents a legal status of inability to pay debts. A government agency that collects taxes functions under specific statutory authority but does not encompass the broader definition of creditors in general debt collection. Lastly, while a company providing goods without immediate payment might seem related, it still hinges on whether that company has extended credit terms or arranged for payment at a later date, which is not synonymous with the universal definition of a creditor.

6. What document must a licensee return after accepting a citation?

A. Proof of payment

B. A statement of disagreement

C. The signed citation

D. A professional reference

The requirement for a licensee to return the signed citation after accepting it is an important part of the disciplinary process in many licensing frameworks, including collections management. When a citation is issued, it serves as an official notice of a violation and acceptance of responsibility for that violation. By returning the signed citation, the licensee acknowledges receipt of the citation and confirms that they understand the nature of the violation. This process is crucial because it ensures that all parties are in agreement about the citation's existence and its terms. It also serves as a way for regulatory bodies to maintain accurate records of compliance and disciplinary actions within the industry. Returning the signed citation ultimately helps uphold the integrity of the licensing process and ensures that the licensee is aware of the consequences of their actions. The other options do not fulfill this requirement. Proof of payment is related to fines but does not signify acceptance of the citation itself. A statement of disagreement may occur if a licensee disagrees with the citation, but it would not be appropriate to return such a statement until after the citation is disputed. A professional reference is unrelated to the citation process. Thus, returning the signed citation is the correct and necessary action for a licensee following the acceptance of a citation.

SAMPLE

7. How can a collections manager ethically maintain consumer trust?

A. By using aggressive tactics to incentivize payment

B. By being transparent, respectful, and adhering to the law

C. By offering discounts for quick payment

D. By keeping all communications informal

A collections manager can ethically maintain consumer trust by being transparent, respectful, and adhering to the law. This approach fosters a positive relationship between the collections manager and the consumers, creating an environment where consumers feel valued and heard. Transparency involves clear communication regarding the debt, processes, and their rights, ensuring consumers have all the necessary information to understand their situation. Respectful interactions are crucial as they help prevent feelings of resentment or aggression from consumers. A respectful demeanor can lead to cooperative relationships, whereby consumers are more likely to respond positively and engage in resolving their debts. Additionally, strict adherence to legal guidelines protects both the consumer and the collections manager, as it upholds the ethical standards required in the collections industry. While some strategies like offering discounts for quick payment may be useful in certain contexts, they do not inherently build trust. Informal communication could undermine professionalism and might not convey the seriousness of the debt. Aggressive tactics can lead to distrust and resentment, ultimately damaging the relationship between the collections agency and the consumer. Therefore, the best strategy for maintaining trust is through transparency, respect, and legal compliance.

8. What must a debtor do if a secured party requests?

A. Plead their case before defaults

B. Provide proof of their payment history

C. Make collateral available at a designated place

D. Notify the secured party of any upcoming sales

When a secured party requests it, the debtor has an obligation to make the collateral available at a designated place. This is based on the principles of secured transactions, where the debtor has pledged specific assets as collateral for a loan or obligation. The secured party is entitled to access this collateral to verify its condition and ensure that it remains intact, as the risk associated with lending is mitigated by the existence and value of the collateral itself. The requirement for the debtor to provide access to the collateral stems from the secured party's rights under the security agreement and the relevant laws governing secured transactions. This provision protects the interests of the secured party, allowing them to potentially recover assets in the event of default. The other options may involve communication or documentation that can be valuable in a transaction, but they do not directly address the debtor's legal obligation regarding the physical availability of the collateral in the event of a request from the secured party.

SAMPLE

9. In consumer goods transactions, what should a secured party do with the surplus or deficiency results?

A. Transfer all rights of the debtor

B. Discharge the security interest held by the secured party

C. Discharge junior liens

D. All of the above

In consumer goods transactions, when there are surplus or deficiency results after a secured party enforces its rights, such as through the sale of collateral, the secured party must address these outcomes in accordance with the relevant laws, which often include provisions found in the Uniform Commercial Code (UCC). When there is a surplus, the secured party is generally required to return any excess funds to the debtor after the outstanding obligation has been satisfied. This surplus indicates that the sale of the collateral generated more proceeds than what was necessary to cover the debt, thus ensuring that the debtor receives what is rightfully theirs beyond the amount owed. In cases of deficiency, where the sale does not cover the entire debt, the secured party can pursue the debtor for the remaining balance. However, the treatment of junior liens comes into play, as the secured party is obligated to address any subordinate interests when enforcing their security. This involves discharging any junior liens to maintain the priority of the security interest. In conclusion, by transferring all rights of the debtor, discharging the security interest once the obligation is met, and discharging junior liens where applicable, the secured party complies with both the ethical and legal requirements in consumer goods transactions, ensuring fair treatment of the debtor while enforcing their rights as a

10. What happens if a buyer violates the terms of an installment sales contract?

A. They must pay a flat fee

B. The contract may be terminated

C. They are subject to legal action

D. They can renegotiate the contract

When a buyer violates the terms of an installment sales contract, one possible outcome is that they are subject to legal action. This is because such a violation constitutes a breach of contract, which gives the seller legal grounds to enforce their rights under the agreement. The seller may choose to pursue various remedies, including seeking damages for any losses incurred due to the buyer's failure to comply with the contract terms. This can involve filing a lawsuit or taking other legal steps to recover amounts due or to reclaim the sold goods, depending on the specifics of the contract and the nature of the violation. While terminating the contract can also be a potential course of action, the option to pursue legal action highlights the emphasis on enforcing the contract and ensuring compliance. In some cases, simply renegotiating or paying a flat fee to resolve the matter might not adequately protect the seller's interests or rights in the situation. Thus, understanding the implications of a breach is crucial for both buyers and sellers involved in an installment sales contract.

SAMPLE

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://michigancollectionsmanager.examzify.com

We wish you the very best on your exam journey. You've got this!

SAMPLE