

# KEWANEE CREDIT BUREAU

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JAN. 31, 1996

VOL 4, #1

## JURY AWARD AMOUNTS ON THE RISE

### USE YOUR LOCAL CREDIT BUREAU

The Kewanee Credit Bureau is a member of Associated Credit Bureaus, Inc. All reports provided by the Kewanee Credit Bureau come from the National files of TRW.

The Kewanee Credit Bureau provides Consumer Credit Reports, Business Credit Reports and Residential Mortgage Credit Reports to creditors in Henry, Stark, Bureau, Putnam, LaSalle and Tazewell counties.

### CONSUMER DEBT

Consumers went \$10.6 billion into debt during Oct., doubling Sept.'s \$4.1 billion. These numbers raised installment credit to a record \$1 trillion, according to the Federal Reserve. (ACB, 12-18-95)

The Federal Reserve said, Jan. 11th, overall borrowing grew 10.4% at a seasonal adjusted annual rate in Nov. or by \$8.6 billion, down 13.7% from Oct. Revolving Credit, which includes credit cards rose at a 9.2% annual rate or by \$2.9 billion. Automobile loans increased at an 11.2% rate in Nov. or by \$3.2 billion. Overall out-standing consumer credit rose to \$1.02 trillion in Nov., up from \$1.01 trillion in Oct. Credit has now increased each month for 30 months. (Journal Star, 1-12-96)

### BANKRUPTCIES

..after two consecutive years of decline, non-business bankruptcy filings increased by nearly 10% for the 2nd quarter on 1995. Personal bankruptcy filings numbered 222,086, an increase of 9.6 percent compared to the same quarter of 1994.

The total number of new cases filed during the first half of 1995 was 417,534. Of those filings 30.4% were chapter 13, a 9.9% increase. Arkansas experienced a 31.8 percent increase, the largest for any state. Four states saw decreases: CA, AZ, WY and NE. (ACA Cred-Alert, vol 25, #1)

The size of jury awards grew for the second year in a row, according to a new study of civil cases considered in 1995.

The study, conducted by Jury Verdict Research of Horsham, PA, found that the median amounts awarded to compensate plaintiffs for injuries was up 17% over the 1994 median, from \$53,000 two years ago to \$62,000 last year. From 1990 to 1993, studies showed that these awards, which don't include punitive damages, had fallen in amount. The 1990 median was \$66,698.

The Study, which was reported in the Jan. 5 edition of the WALL STREET JOURNAL, also found that the median compensatory award in medical-malpractice cases rose by 40% to \$500,000 last year from \$360,000 in 1994.

In employment-related disputes, the median award also grew by 40% from 1994 to 1995, from \$131,984 to \$183,140 last year. (ACA CRED-ALERT, vol 25, #2)

### FREEZING ACCOUNTS OF BANKRUPT BORROWER IS LEGAL

The U S Supreme Court has given banks the right to freeze the accounts of bankrupt borrowers who have defaulted on a loan from the bank. The decision draws to an end a case that began in 1991. According to the Dec 1995 issue of CONSUMER TRENDS, in 1991 David Strumpf stopped paying on a car loan from Citizens Bank in Maryland. The bank, relying on a clause in the loan agreement, froze, but did not seize Strumpf's \$3,500, he had deposited at the bank.

Strumpf took the bank to court arguing their freezing of assets violated the Bankruptcy Code. The court agreed, but since that time subsequent appeals have see-sawed between favoring the bank or Strumpf. The final decision by the Supreme Court found in favor of Citizens Bank by a vote of 9 - 0. (ICA Cred - Alert, vol 25, #1)

### KEWANEE CREDIT BUREAU HOURS

Monday - Friday 9:00am to 4:30pm