The ONE SOURCE for all your credit reporting needs
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MONEY SMART WEEK ILLINOIS

April 20 to April 27, 2013

Money Smart Week was started by the Federal Reserve Bank of Chicago 11 years ago. It is now in Ind. Wisc., Iowa, the Quad Cities, Rockford, Peoria Tri-County Area, Champaign, Bloomington/Normal, Decatur and Springfield. Two other Federal Reserve offices have also picked up the program.

Classes on financial matters are sponsored by over 300 partners, including The Illinois Treasurer's office, Illinois St. Univ., National City (PNC), KCB Information Services, Heritage Bank, CEFCU, Krogers, Heartland Bank, Friendship House, Common Place, and the Creittenton Centers.

All classes are free and they range from buying groceries, to family budgeting, to buying a home, to understanding credit scores, to planing a funeral and many other subjects are covered. www.moneysmartweek.org

We will have two classes in Bloomington, Peoria and Pekin. The classes we sponsor are: Monday April 22nd at Schnuck's, 4800 N University, Peoria, IL, Credit Scores: The Silent Kill at1:00pm and I. D. Theft: Prevention and Recovery at 2:00pm.

Tuesday, April 23rd, at the YWCA, 1201 Hersey, Bloomington, IL, Credit Scores: The Silent Killer at 9:00am, I. D. Theft: Prevention and Recover at 10:00am and The Silent Killer at 9:30am on April 25 at the Pekin Library.

INCREASED FEES

We have been notified of an increase in Experian Business Credit Report fees:

Business Profile: $37.00
Business Profile & Intelliscore: $47.00
Premier Profile: $45.00
No Record: $ 1.00
List OF Similar: $10.00
Business Summary: $12.00
Business Owners Profile: $15.00

For our Mortgage Report members, Point has raised their fee from 50¢ to $1.00 per report.

REPORT: PLASTIC BAG BAN ENDANGERS HEALTH

The ban on plastic grocery bags enacted in San Francisco and several other California communities has an unexpected side effect — an increase in food-borne illnesses, emergency room visits, and even deaths.

The culprit: the reusable grocery bags that shoppers use instead, which are breeding grounds for E. coli and other harmful bacteria, according to a new report by university researchers.

San Francisco County enacted a ban on non-compostable plastic bags at large grocery stores and drug stores in 2007, and extended it to all retail establishments in early 2012. Los Angeles followed suit in 2012, as did several other California communities including Malibu and Palo Alto.

The bans were designed to reduce litter and threats to marine life posed by discarded bags, and encourage the use of reusable grocery bags. But studies "suggest that reusable grocery bags harbor harmful bacteria, the most important of which is E. coli," say Jonathan Klick, a professor of law at the University of Pennsylvania, and Joshua D. Wright, a professor at the George Mason University School of Law and Department of Economics.

"If individuals fail to clean their reusable bags, these bacteria may lead to contamination of the food transported in the bags. Such contamination has the potential to lead to health problems and even death."

Tests of randomly selected reusable grocery bags found coliform bacteria in 51 percent of them, and E. coli in 8 percent. (1-20-2012, www.newsmax.com)

ELLIOTT'S PAUL SINGER RAILS AGAINST DODD-FRANK

One song Elliott Management's Paul Singer still isn't singing is the praises of the Dodd-Frank bill, especially its attempts to identify which institutions could pose systemic risk to the financial markets.

"I think it's entirely nutty, and I'm using that term in the most technical sense," the hedge fund manager said Friday during a panel discussion on the "too big to fail" legislation at the American Bankruptcy Institute's annual New York conference in Midtown Manhattan.

That made people laugh, but Singer, whose $17 billion firm is one of Lehman Brothers Holdings Inc.'s largest creditors, said seriously that big banks still have trillions of dollars in derivatives on their books that still require only modest disclosure.

The large banks "have become effectively the biggest hedge funds on the planet," said Singer, who has come out against the bill in the past.

"Opacity on extreme levels is not addressed anywhere, including Dodd-Frank," Singer added.

Dodd-Frank tightens supervision on companies with more than $50 billion in assets, but also gives regulators some power to decide whether smaller firms are "systemically important."

The bill forces hedge funds managing more than $150 million to register as investment advisers with the Securities and Exchange Commission but doesn't single them out as much as some had feared before it was introduced last year.

Dodd-Frank's main objectives are to prevent another meltdown like 2008 and to assure that the U.S. government won't have to step in to bail out companies in order to rescue the markets.

Many hedge fund managers have railed against the assertion that their funds can pose large risks to the markets. Singer said companies can become systemically important so quickly that it could be impossible to identify the risk until it's too late. Dodd-Frank, in the long term, will make the system "more brittle," he said.

Former Treasury Department Chief Restructuring Officer James E. Millstein, who moderated the panel asked Singer, "If this is so bad, why is Wall Street so quiet?"

Singer said most firms simply haven't focused on the bill enough but that they should so changes can be made. Millstein touted the "living will" liquidation procedures that systemically vital institutions are supposed to regularly update in the event of failure, but Singer said that provision makes no sense.

"Dodd-Frank goes through gymnastics to try to do it," Singer said, "but I don't think it's workable." (Wall Street Journal, 1-23-13)

REGULATION OF CONSUMER CREDIT COULD REDUCE CREDIT AVAILABILITY

While regulation of the consumer credit industry is designed to protect consumers from abusive and deceptive practices, new laws may actually harm consumers by making credit less available and more expensive. In a recent publication on the unintended consequences of regulation of the consumer credit industry, Todd Zywicki, a senior scholar at the Mercatus Center and a law professor at George Mason University, and Robert Sarvis, an economics student and fellow at the Mercatus Center, maintain that government restrictions on consumer credit "too often ignore the reality of how and why consumers use credit." "Consumers use credit for the same basic purposes as businesses: to make capital investments that return value over time and to smooth temporary mismatches between income and expenses," Zywicki and Sarvis said. (1-21-13, www.creditandcollectionnews.com)

BANKRUPTCY STATISTICS 12 MONTHS ENDING SEPT. 2012

Non Business Bankruptcies

Total	Ch7	Ch 11	Ch 12	Ch 13
1,219,132	845,470	1,527		372.132

Business Bankruptcies

Total	Ch7	Ch 11	Ch 12	Ch 13
42.008	28,867	9,070	541	3,389

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THE TRUE STORY OF THE TIME THE GOVERNMENT PRINTED A $100,000 BILL

By Rob Wile, Business Insider

A $1 trillion-dollar coin seems like a high denomination to ask the government to print.

Some say its weight could sink the Titanic! (This is benightedly ludicrous).

But one time, the U.S. government actually got 1/10000000th of the way there — by printing a $100,000 bill. And it really helped the economy.

The year was 1933. We were in the midst of a worldwide depression characterized by massive deflation.

President Roosevelt ordered Americans to surrender any gold they held to the government. The reason: no one was buying anything with cash. Gold hoarding and bartering were also reducing the amount of funds flowing into the government.

Americans agreed to surrender their gold, but it wasn't enough......Because Roosevelt also agreed to bail out the banks. That was good news for consumers but bad news for currency control. So Roosevelt proposed the Treasury take over the Federal Reserve's gold supplies.

The pluses: Once the federal government controlled all the gold, it could better enforce its plans to devalue the dollar (thus reflating the economy).

The costs: end of Fed independence. Fed Chairman Gene Black was sympathetic but wary. He advised the decision was best left up to Congress.

Congress took up the measure in January 1933. The Democrat-controlled Senate — a first since World War I — helped get the measure passed Jan. 31. The Gold Reserve Act of 1934 set a new federal exchange rate for gold at $35, but only for the purposes of foreign exchange.

It also allowed the Treasury to print bills to pay for the Federal Reserve's gold. And one of them was worth $100,000. (It had Woodrow Wilson on the face).

Spoiler alert: It worked.

CREDIT CLASS FOR YOUR CUSTOMERS

Could you make more loans if your customers could improve their credit reports?

We will come to your business and conduct a class on credit reports and credit scores for your customers.

Call now and schedule a class. These classes are free for our members.

CALIFORNIA CONGRESSWOMAN ASKS EQUIFAX TO EXPLAIN SENSITIVE CONSUMER DATA

U.S. Rep. Jackie Speier, Wednesday called upon Atlanta-based consumer credit reporting agency Equifax Inc. to prove its subsidiary, The Work Number, is not compromising laws that protect an individual's financial and personal privacy. NBCNews.com last week reported salary and other sensitive employment information on millions of Americans in a large, but little-known database, created through an Equifax-owned company called **The Work Number**, is being sold to debt collectors, financial service companies and other entities. Speier made the request in a letter, cosigned by six members of Congress, to Equifax Chairman and CEO Richard F. Smith. "The Work Number appears to have operated under the radar, with little public awareness of the vast trove of data it was gathering," Speier said in a statement. "There is no greater threat to privacy than the creation of a database of sensitive consumer financial and personal information sold for profit for purposes that are unclear and without the knowledge of the consumer. Equifax needs to explain exactly how it is using this data, and provide evidence that The Work Number does not pose a threat to the privacy of 190 million Americans." (creditandcollectionnews.com, 2-7-13)

FTC REPORT CONFIRMS CREDIT REPORTS ARE ACCURATE

The Federal Trade Commission (FTC) released its latest study on credit reports today and reconfirmed the findings of several recent studies that conclude that credit reports are highly accurate and play a critical role in facilitating access to fair and affordable consumer credit. The FTC's research determined that 2.2 percent of all credit reports have an error that would increase the price a consumer would pay in the marketplace and that fully 88% of errors were the result of inaccurate information reported by lenders and other data sources to nationwide credit bureaus. The study also showed that 95 percent of consumers are unaffected by errors in their credit report.Stuart Pratt, president and CEO of the Consumer Data Industry Association (CDIA), said, "Most consumers are well aware that their credit report is a fundamental reflection of their discipline and responsibility when accessing and using consumer credit. This additional study from the US government's chief consumer protection agency should reassure consumers that they can depend upon the accuracy of their credit history." (2-11-13 credit&collectionnews.com)

NEW CREDIT CARD LIMITS JUMP IN 2012

The amount of new credit card limits opened in the first three quarters of 2012 hit $675 billion, up from $523 billion during the same period in 2010, according to Equifax's latest National Consumer Credit Trends Report.

The report also shows that those new limits represent less than a third of all outstanding balances. Equifax Chief Economist Amy Crews Cutts hailed the data as a sign that consumers are using credit cards responsibly, even as banks loosen some of their underwriting guidelines.

Originations remain about one third lower than their pre-recession peak, leading Cutts to suggest that the "consumer-led recovery" is working - although Americans still need more time to fully regain the ground they lost in 2008.

Retail credit cards supported most of the gains last year, but bank credit cards also saw a larger percentage increase in the past two years.

Retailers and issuing partners opened up $47.5 billion in new credit through November, a 17 percent jump from 2010's report. With more than $132 billion in new credit limits through the end of September, bank credit cards jumped 44 percent from the low point of the recession.

Credit utilization remains low across most bank credit card accounts. Consumers used only 22 percent of their available limits, Equifax reports. During the same period, year-over-year write-off rates dropped another 20 percent, demonstrating a cultural shift to using cash and preserving credit. The number of active credit cards stabilized among the 300 million mark, but banks have yet to see a downward swing in portfolio quality, according to Equifax.

Equifax also noted that new auto loans hit a five-year high in September, reflecting an improvement economists have seen in unsecured borrowing. (Collections & Credit Risk, 1-17-13)

KCB INFO SERVICES HOURS

Monday - Friday 9:00am to 4:30pm
Close from 12:30pm to 1:30pm

KCB Information Services offers: Consumer Credit Reports, *ServicePlus* Credit Reports Collections Reports, Employment Credit reports, Residential Mortgage Credit Reports, Merged Credit Reports, Fannie Mae & Freddie Mac access, Criminal background checks, LiveScan Finger Printing, Tenant Screening Reports, Flood Zone Determination, Flood Life of Loan Certification, AVMs, 4506-T, Income Tax Verifications, Real Estate Tax Payment Verifications and Identity Authentication.

KCB Information Services has served businesses since 1928 and serves Central Illinois for Experian and Equifax.