

# KEWANEE CREDIT BUREAU

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## LABOR FORCE GROWTH SLOWS

### INSTALLMENT CREDIT INCREASES CONTINUE

Outstanding consumer credit in November 1995 was \$1,013.8 billion. That was 13.2% higher than the \$895.6 billion in November 1994.

Automobile loans were up 10.4%, from \$315.2 billion to \$337.9 billion. Revolving loans were also up a whopping 17.4% from \$332.4 billion to \$390.1 billion. Other loans (including mobile home, education and R/Vs) were up 11.2% from \$248.0 billion to \$275.8 billion.

Commercial and industrial credit also rose. It was up 10.8% from \$639.6 billion to \$708.5 billion. (Collector Credit Risk, Feb 96)

### CALIFORNIA COURT: NO PROMINENT WARNING SIGNS; NO SERVICE CHARGES

In a ruling with far-reaching consequences, US District Judge Lawrence K Karlton, ruled that California merchants may not collect service charges from bad checks written, just because their businesses prominently posted warning signs, the SACRAMENTO BEE reported Dec. 21, 1995.

In the courts judgment, Karlton said Federal law requires evidence in each instance the bad check writer saw such a sign. He said customers must know they are entering into a contract with the merchants that will allow the service charge if their checks bounce.

Arguing that service charges are lawful, the collection agency said the merchants' posted bad check warning created an implied agreement with the customer.

Not so, Karlton said. "Even if the notices are viewed as an offer by the merchant to enter into a contract, which was intended to be accepted by the writer of the check, there is simply no evidence (the customer) saw the sign or that they intended to accept the offer. (ACA Cred-alert vol 25, #2)

In 1995 the number of new workers entering the work force fell to its lowest level in four years. The US Department of Labor reports that the size of the work force grew only by about 750,000 in 1995. In each year between 1992 and 1994, the US labor grew by between one and two million new workers.

In a recent BUSINESS WEEK article, Joseph Carson, an economist for Dean Witter Reynold, attributed the decline in work force growth to a lower participation by 20 to 24 year olds and 55 to 64 year old males. He speculated that many young workers facing poor job prospects in 1995, stayed in school.

(ACA Cred-Alert Vol 25, #2)

### FBI GRANTED EASIER ACCESS TO CREDIT REPORTS

The Intelligence Authorization Act was signed into law by Pres. Clinton on Jan. 6, 1996, giving the FBI new access to credit reports on whom the Bureau believes it needs in connection with counterintelligence investigations. The law is effective immediately...

The law permits the FBI to obtain information from credit reports, without a court order and further directs that the inquiry is never revealed to anyone, including the subject, under penalty of law. (ACB Communicator, Vol. VI, #2)

### SMALL BUSINESS SCORING

Fair, Isaac has announced the use of new technology that makes it possible for small business lenders to download the company's Small Business Scoring Services (SBSS). The service combines software and new pooled-data scorecards for evaluating and processing small business credit applications. (ACB Communicator, Vol. VI, #2)

### KEWANEE CREDIT BUREAU HOURS

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