



The **ONE SOURCE** for all your credit reporting needs

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OPEN HOUSE

November marks another milestone. On Nov. 1, 1989 Larry Nelson bought the Kewanee Credit Bureau.

Last year the credit bureau celebrated 80 years of providing credit reports to businesses in Central Illinois. Now we have another reason to have a party.

20 years ago the credit bureau covered, Henry, Stark, Bureau and part of Knox counties. Today we have members from Madison, Wisc. to the Quad Cities to Quincy, south to Herrin, and east to Bloomington/Normal, Ottawa and Sheridan. In 2004 the credit bureau moved the office from Kewanee to Pekin.

We are the only independent, full service credit bureau in Illinois. We offer a complete line of products and services for financial institutions, land lords, municipalities and employers. We offer:

- *Consumer, business, mortgage and employment reports.*
- *On-Line lending and opening of new accounts software.*
- *Flood determination and life of Loan.*
- *Internet, drive-by and full appraisals.*
- *Criminal name checks and finger print back searches.*
- *Lien searches and other products and services to speed up 1st and 2nd mortgage lending.*

If you are not receiving all your lending and credit products from one source, just call us.

To celebrate the last 20 years we will have an open house Monday November 2nd. from Noon to 6:30pm. Please stop by our office at 11 N. 6th Street in Pekin. We look forward to seeing you.

CONSUMER CREDIT CONTRACTS AT RECORD PACE IN JULY

U.S. consumers are paying off debt at a record pace as the recession lingers. In the past 11 months, nearly \$70 billion has been erased from credit card balances, a trend that the ARM industry may need to watch.

Credit card debt outstanding in the United States has fallen by nearly \$70 billion in less than a year and continues its downward spiral, according to a government report released yesterday.

The Federal Reserve said Tuesday that consumer credit outstanding in the U.S.

declined by \$21.5 billion in July, the largest monthly drop on record. The annualized rate of decline, 10.4 percent, was also the largest on record.

The Fed, in its monthly G.19 report on consumer debt, said that revolving debt – mostly credit cards – fell at an 8 percent annual rate in July, or by \$6.1 billion. July marked the 11th straight month of declines in credit card debt.

In those 11 months, consumers have shed nearly \$70 billion off credit card balances. Banks have also had a hand in the decline, tightening credit lines for their customers.

The trend is one that the accounts receivable management industry, particularly credit card collectors, will need to monitor, according to Mark Russell, director at ARM industry advisory firm Kaulkin Ginsberg.

“ARM companies that specialize in credit cards have been swamped with work this year,” Russell noted. “But if credit card debt continues to contract, there may be fewer accounts to work down the road.”

Collection agencies said that they had more work in the second quarter of 2009 in insideARM's latest Quarterly Credit & Debt Collection Industry Confidence Survey. Of the collection agencies that said they specialized in financial services work (which includes credit cards), 63.4 percent reported an increase in account placements in the second quarter, up slightly from the 63 percent that answered the same way in the first quarter. But those numbers were significantly higher than the 53 percent that saw an increase in account placements in the second quarter of 2008.

In July, non-revolving debt – like that found in auto, student and personal loans – paced overall declines in consumer credit outstanding. The Fed said that non-revolving debt contracted by \$15.4 billion, or at an annual rate of 11.7 percent. The G.19 report does not cover real estate loans.

The decline in non-revolving debt for July will likely prove to be an anomaly, as consumers probably held back on auto purchases for most of the month until the government's “Cash for Clunkers” program was launched on July 24. As such, the Fed's non-revolving debt in August is expected to show a significant increase. Student loans also began to roll out in earnest in August.

Taken overall, July's drop was unexpected and far exceeded economists' predictions. Economists had forecast consumer credit would drop \$4 billion in July, according to the

median of 31 estimates in a Bloomberg News survey. Projections ranged from declines of \$12 billion to no change from the previous month.

Total consumer debt outstanding in the U.S., excluding real estate loans, stood at \$2.472 trillion at the end of July, down from its all-time high of \$2.581 trillion at the end of July 2008. (by Patrick Lunsford, www.insideARM.com staff, September 9, 2009)

ACCOUNT REVIEW

Account Review allows you to pull a report on one of your customers, for “review of credit” if they have an open loan. The purpose of an Account Review credit report, is not to make a new loan, but to review the credit report of a customer who currently has outstanding loans.

Since this inquiry is not for new credit, the inquiry is not counted against the consumer's credit score.

If you would like to pull credit reports to review the credit on current loan customers, please call or e-mail us.

FDCPA AND OTHER CONSUMER RIGHTS LAWSUIT STATISTICS, SEPTEMBER 1-15

Grand Rapids, Mich. – FDCPA Lawsuit Statistics.

There were about 424 lawsuits filed under consumer statutes in the first half of September (down a bit due to the Labor Day holiday).

Here is an approximate breakdown:

- * 346 Fair Debt Collection Practices Act
- * 39 Fair Credit Reporting Act
- * 2 Telephone Consumer Protection Act
- * 14 Truth In Lending Act
- * 1 Consumer Legal Remedies Act
- * 1 Driver's Privacy Protection Act
- * 1 Electronic Fund Transfers Act
- * 1 Employee Retirement Income Security Act
- * 4 Federal Trade Commission Act
- * 1 Home Affordable Modification Program
- * 1 Home Affordable Refinance Program
- * 1 Missouri Merchandising Practices Act
- * 6 Real Estate Settlement Procedures Act
- * 1 Securities Exchange Act
- * 1 Texas Deceptive Trade Practices Act
- * 6 Unfair Business Practices
- * 3 Unjust Enrichment
- * 2 West Virginia Consumer Credit & Protection Act

Of those cases, there were about 430 unique



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plaintiffs (including multiple plaintiffs in one suit).

* Of those plaintiffs, about 82 had sued under consumer statutes before.

* Combined, those 82 plaintiffs have filed about 555 lawsuits since 2001

Actions were filed in 101 different US District Court branches.

About 446 different collection firms and creditors were sued.

Statistics Year to Date

6654 total lawsuits for 2009:

* 5488 FDCPA

* 875 FCRA

* 13 TCPA

Number of unique Plaintiffs: 6607 (including multiple plaintiffs in one suit)

The most active consumer attorneys of the year:

* Representing 343 Consumers: Ryan Scott Lee

* Representing 222 Consumers: Nicholas J. Bontrager

* Representing 176 Consumers: Kenneth R. Hiller

* Representing 169 Consumers: Todd Michael Friedman

* Representing 145 Consumers: Daniel A. Edelman

This service is provided to the ARM industry courtesy of WebRecon LLC.

(www.insidearm.com, 9/22/09, Jack Gordon, CEO, WebRecon LLC, The FDCPA Litigant Alert)

PAYING OFF DEBT BECOMING EN VOGUE, EXPERTS SAY

For a couple of years now collection agencies have battled declining liquidation rates that are being weighed down by high unemployment and consumers' inability to derive cash from the equity in their homes.

Two industry experts, however, have noted a recent consumer trend that could bode well for the industry. They say there is less consumerism as paying off debt is becoming en vogue with the general population.

"People aren't out buying the next new thing," says Lou DiPalma, managing partner at Garnet Capital Advisors, a Harrison, N.Y.-based debt broker. "They are trying to take care of their old debts."

Louise Epstein, president of Austin, Texas-based debt broker Charge-Off Clearinghouse, tells Collections & Credit Risk that she has noticed a similar trend.

"The fact that individuals are making more prudent financial decisions for their households, whether by choice or duress, gives them a greater opportunity to pay off the debts they have," Epstein says.

"Sad to say, the more people who walk away from their mortgages, the more disposable income they have to pay off their other debts. And there is going to be a lot more [people walking away from their mortgages]," she adds. (September 25, 2009, www.Collection_Collections_News.com)

ALL CUSTOMER DATA IS NOT BEING PROTECTED

Results of a recent study suggest that 55% of companies follow industry standards to protect customers' credit card numbers, but they do not apply data-security measures to customers' Social Security and driver's license numbers and bank account details.

The Poneman Institute LLC, a Traverse City, Mich.-based data-security research firm, and Imperva Inc., a Redwood Shores, Calif.-based provider of data-security services, surveyed approximately 500 U.S. companies online during the last week of August.

Nearly 80% of survey respondents said they have experienced a data breach involving the loss or theft of credit card information, but 71% said data security is not a "top" strategic initiative. Some 60% of those surveyed said they lack sufficient resources to comply with the Payment Card Industry Data Security Standard administered by the PCI Security Standards Council LLC.

Only 28% of smaller companies, those with 501 to 1,000 employees, said they comply with PCI standards. That compares with some 70% of larger companies with 75,000 or more employees who said they do. (September 25, 2009, www.Collection_Collections_News.com)

PHONY DEBT COLLECTORS PESTER CONSUMERS NATIONWIDE

Phony debt collectors have been calling consumers all over the country, harassing them with inside information on consumers' bank account information and knowledge of their friends and family. The phony collectors

tell consumers that if they don't pay up, they'll go to court or jail. During the past week, the callers have continued harassing DeBerry, telling her she defaulted on a Payday loan and she better pay up. "They stay on you, that's for sure," DeBerry said. She checked her bank records. DeBerry knows she didn't take out a loan. But the caller kept pestering. He said DeBerry would lose her kids and her husband. The callers often have the consumer's personal information, bank account numbers, social security numbers and even names of friends. The Better Business Bureau said the tactics suggest there was a data breach somewhere. (9-30-09, www.creditandcollectionnews.com)

CREDIT BUREAU AUDIT

Due to changes in the Fair Credit Reporting Act, TU Experian and Equifax have required us to use updated forms. If you have been sent forms and have not returned them, unfortunately, your service will be turned off.

KCB INFO SERVICES HOURS

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

KCB Information Services offers: Consumer credit reports, Collections Reports, Business Credit reports, Employment Credit reports, Residential Mortgage Credit Reports, Merged Credit Reports, Fannie Mae & Freddie Mac access, Criminal background checks, Tenant Screening Reports, Flood Zone Determination, Flood Life of Loan Certification and Identity Authentication.

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

10 SECRETS TO SUCCESS

1. **HOW YOU THINK IS EVERYTHING:** Always be positive. Think success, not failure. Beware of negative environment.
2. **DECIDE UPON YOUR FUTURE DREAMS AND GOALS:** Write down your specific goals and develop a plan to reach them.
3. **TAKE ACTION:** Goals are nothing without action. Don't be afraid to get started. Just do it.
4. **NEVER STOP LEARNING:** Go back to school or read books. Get training and acquire skills.
5. **BE PERSISTENT AND WORK HARD:** Success is a marathon, not a sprint. Never give up.
6. **LEARN TO ANALYZE DETAILS:** Get all the facts, all the input. Learn from your mistakes.
7. **FOCUS YOUR TIME AND MONEY:** Don't let other people or things distract you.
8. **DON'T BE AFRAID TO INNOVATE; BE DIFFERENT:** following the heard is a sure way to mediocrity.
9. **DEAL AND COMMUNICATE WITH PEOPLE EFFECTIVELY:** No person is an island. Learn to understand and motivate others.
10. **BE HONEST AND DEPENDABLE; TAKE RESPONSIBLY:** Otherwise, Nos. 1-9 won't matter. (Investor's Business Daily)