

KEWANEE CREDIT BUREAU

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PARENTS PAY CAR LOANS BEFORE CHILD SUPPORT

A children's Defense Fund study showed that divorced parents are more likely to fall behind in their child support than on their car payments. The delinquency rate on used car loans was less than 3% in 1992. State child support enforcement agencies reported that 49% of divorced fathers were late on their child support in 1990.

Cases in which child support was paid at all increased from 14.7% in 1983 to 18.7% in 1992. At that rate, it would take more than a century for all children served by state agencies to be assured of even partial support. (AP 6-18-94 & CSC Letter of credit vol.X, #4).

RETAILERS, GET REAL ABOUT AGING BOOMERS!

According to a study sponsored by the International Mass Retailing Association and conducted by Age Wave of San Francisco, merchants' images of older shoppers differ from the shoppers' view of themselves. Retailers tend to see elderly shoppers as poor, unindulged, and eager for Senior-citizens discounts.

Older consumers say they spend money on themselves, buy on impulse, prefer brand names over generics, pay more for quality, and place little importance on age related discounts.

Furthermore, they're wealthier than the stereotypes suggest. In fact, Americans over the age of 50 own 77% of its financial assets, and they don't view themselves as old. (Baltimore Sun, 6-19-94, CSC Letter of Credit, Val X, #4)

LOAN DELINQUENCIES DROP

Consumer Loan delinquencies hit a twenty year low in the second quarter of this year according to the American Bankers

Association. Bank consumer installment loan accounts with late payments hit a historic low of 1.71% in the second quarter, down from 1.74% at the end of the first quarter and from 2.06% a year ago. (ACA Credit Alert, vol 23, #12).

FTC HOLD CREDIT REPAIR SUMMIT

In an effort to combat credit repair fraud, the FTC held a summit on Nov. 15th to discuss action and to share strategies. State law-enforcement agencies, credit grantors, credit reporting representatives and public interest and trade groups attended to provide input and ideas about how to handle this costly problem.

FTC Chairwoman Janet Steiger organized this summit in order to "launch a coordinated effort among the credit reporting agencies, law enforcement and FTC to work on the credit clinic problem." Steiger pointed out that she has never seen a repair facility that can improve a credit history and that these clinics can't do anything that a consumer can't at little or no cost. She went on to say that credit-repair fraud includes:

- *promising to remove derogatory data;
- *promising to obtain credit cards for consumers seeking assistance;
- *file segregation which instructs consumers to obtain an IRS taxpayer identification number and establish a separate identity.

Steiger noted that consumers that try to repair their credit through file segregation and falsify statements on certain loan and credit applications or who falsify their SS# may violate one or more criminal statutes.

FTC will initiate new consumer education programs including making the public aware of how to dispute credit report errors. (ACB Communicator, Vol IV, #12).

KEWANEE CREDIT BUREAU HOURS

Monday - Friday 9:00am to 4:30pm
Diane Ebens, Office Manager
Larry Nelson, Pres.