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Caine & Weiner Tees off for Charity

Pasadena, CA—Caine & Weiner was well represented by an executive foursome at the 2nd Annual Los Angeles Times/United Way Golf Classic held on March 6th at Pasadena's Brookside Country club.

Proceeds from the tournament directly benefit the "United Way GAP Fund—A little help goes a long way".



From left to right; Steve Simon, VP-Client Services, Tony Albanesi, VP-West Coast Operations, Frank Jacobs, Director-Client Services & Greg Cohen, President & COO.

The Caine & Weiner executive team—an event Gold Sponsor, was comprised of Greg A. Cohen, President & COO, Tony Albanesi, Vice President—Vice President West Coast Operations, Steve Simon, Vice President-Client Services and Frank Jacobs, Director—Client Services.

Participants in the tournament included 27 foursomes from local businesses who were invited to compete in the charity event

"We are delighted to be one of the event sponsors," said Greg Cohen. "In spite of

inclement weather, It was an enjoyable way to spend the day while contributing to a worthwhile cause. What could possibly be better than playing golf and helping others?"

The Caine & Weiner team looks forward to next year.

Inside this issue:

Consumer Confidence Index at highest level in four years **2**

U.S. Mortgage Industry—Too many rules may be stifling **2**

Health of U.S. economy rests with capital goods **3**

Bank of America eyes credit cared plan in China **3**

Equifax & AutoTrader to help consumers check their credit **4**

U.S. Courts: Bankruptcy Filings Surge in 2005

Bankruptcy filings in the federal courts skyrocketed a record 30 percent in calendar year 2005, according to data related by the Administrative Office of the U.S. Courts.

Bankruptcies filed in the twelve-month period ending December 31, 2005, totaled 2,078,415, up from the 1,597,462 petitions filed in

the 12-month period ending December 31, 2004.

This was the largest number of bankruptcy petitions ever filed in any 12-month period in the history of the federal courts.

The increase of filings in 2005 occurred largely in response to the passage of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), as many

debtors filed petitions before the law's general effective date of October 17, 2005.

Of the total number of filings in 2005, the largest group was the 1,659,017 Chapter 7 filings, up 46 percent from the prior year.

Chapter 11 filings fell 33 percent to 6,800 from the 10,132 filings in 2004.

Consumer Confidence Index at Highest level in Four Years

The Conference Board Consumer Confidence Index which had declined in February increased in March. The Index now stands at 107.2, up from 102.7 a month earlier. The Present Situation Index rose to 133.3 from 130.3.

The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households. The monthly survey is

conducted for the Conference Board by TNS, the world's largest custom research company.

"This months gain in Consumer Confidence has pushed the Index to a four-year high," said Lynn Franco, Director of The Conference Board Consumer Research Center. "The improvement in consumers' assessment of present-day conditions

is yet another sign that the economy gained steam in early 2006. Consumer expectations, while improved, remain subdued and still suggest a cooling in activity in the latter half of this year.

The survey found the outlook for the labor market was also more positive.



Do you have business news or something compelling to report?

Please Email Frank Draper at
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U.S. Mortgage Industry—Too many Rules May be Stifling

Washington—Excess restrictions on such nontraditional home loans as interest-only and payment-option mortgages risk stifling the market, according to industry groups.

In their first extensive comments on guidelines issued late last year by U.S. bank regulators on nontraditional mortgages, the Mortgage Bankers Association and America's Community Bankers warned in separate letters that too many rules might restrict innovation.

"The American consumer could suffer greatly from any guidance that imposes unduly restrictive standards on the use of the mortgage products," the industry group America's Community Bankers said in a letter.

"Such restrictions could

result in lenders' being less willing to offer alternative mortgage products and this would severely limit the flexibility in financing options that consumers enjoy today," the group added.

The Office of the Comptroller of the Currency, the Federal Reserve, the Federal Deposit Insurance Corp., the Office of Thrift Supervision and the National Credit Union Administration issued the guidelines in December, spurred by worries over growth in exotic loan products during the housing boom.

A now-cooling five-year surge in the housing market sent home construction and sales to record levels as home prices soared 53 percent on average nationwide.

Bank supervisors expressed concern that non-traditional mortgages could strain the finances of borrowers and banks as interest rates rise. Rising rates could bring an increase in delinquencies as borrowers become unable to make payments. Loan delinquencies could in turn pressure banks that offered the mortgages as well as investors in securities backed by those home loans, economists worry.

The community bank group said it appreciated regulators' concerns that underwriting standards may have slipped at the same time as real estate markets in some areas are softening.

"We agree that institutions must use care and prudent practices to originate alternative mortgage products and to manage portfolios containing these products, but we do not believe it is

necessary to issue guidance to depository institutions to reiterate these points," the group said.

The Mortgage Bankers Association said lenders who took on too much mortgage risk will face market punishment in the form of price disadvantages.

"The private market can and does correct for excess risk more quickly than can a regulator who necessarily must move at a more deliberate pace," the mortgage lenders' group said.

The mortgage bankers' group warned against overly prescriptive language and said that interest-only and payment-option loans did not in and of themselves pose risks.

Health of U.S. Economy Rests with Capital Goods

The key to improved U.S. economic performance in 2006 will be the continued strength of the capital goods sector, according to an analysis recently released by The Conference Board, the global research and business membership organization.

Business investment has been one of the few bright spots in the U.S. economy. Nondefense capital goods orders surged at the end of 2005 on the back of a doubling of aircraft orders in the fourth quarter of last year. The slow economic recovery and the rapid deterioration in consumers' income have helped hold down the recovery in consumer spending from the low point in 2001 and 2002. The big question is how long U.S. growth can be sustained with a gradually deteriorating consumer sector.

"The volatile capital goods sector can distort the

strength of short-term economic trends, which when defense purchases are included, are stable, if not slightly deteriorating," says Gail D. Fosler, Executive Vice President and Chief Economist of the Conference Board. Her analysis appears in *StraightTalk*, a newsletter designed exclusively for members of the Conference Board's global business network. "Even more worrying is the growth gap between new orders of consumer goods and activity in the investment sectors."

Fosler says it will be very hard to sustain recent profit gains in this weakening economic environment. The Conference Board's economic forecast for this year has increased slightly to 2.9%, while the year-on-year growth comparison is down to 2.5% by the fourth quarter of 2006.

"The Federal Reserve may be tempted to tighten rates

excessively at a time when the growth signals are at best mixed and, more disquieting, when the prospective trends may be down," says Fosler. "Persistence in raising rates invites a sharp change in sentiment toward caution that will reduce long-term yields and significant invert the yield curve."

The nondefense capital goods sector has dominated the consumer goods sector since early 2004, consistent with the peak in consumer income gains. The widening difference in relative performance between these two sectors has been sustained longer than at any time since the gap between 1987 and 1989.

The capital goods environment is driven by extraordinary corporate profitability and cash flow (the flip side to the weakness in consumer income gains) as well as

global market dynamics.

The clear center of global growth is Asia, where most economies are still growing rapidly, but growth rates are rising.

Asia is increasingly depending on trade within the region. Since 2003, inter-Asian trade has doubled, while Asian trade with both the U.S. and the European Union is up only about 50%. This reflects a large shift in the relative importance of markets to Asian producers. Since 1999, for example, the share of Asian exports that go to the U.S. has dropped from 23% of total exports to 18%, while the share to the EU is down from 17% to 15% in 2005.



Bank of America Eyes Credit Card Plan in China

Bank of America Corp., may create a joint venture with China Construction Bank to issue credit cards in the world's most populous country.

The Charlotte company hopes to strike a deal this year, according to its annual report, recently sent to shareholders.

The move has been widely

expected since Bank of America paid \$3 billion last year for a 9 percent stake in the Chinese bank. The two companies want to profit from the rapid growth of consumer lending in China, whose expanding middle class is starting to crave the buying power of Western-style debt.

China Construction, one of the nations "big four" state-

controlled banks, has little experience with consumer lending. "The great opportunity for banks in that country, which have traditionally focused on commercial lending, is to go retail," said Bank of America spokesman Bob Stickler.

Bank of America wants to help in exchange for a share of the profits, but the partnership faces obstacles,

including a shortage of information about potential customers.

The government recently created a National Consumer Credit Bureau to collect and distribute individual financial histories, but the massive project is still in its early stages.

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Caine & Weiner is an international accounts receivable management company that provides commercial and retail credit & collection services to the global business community.

Established in 1930 by Sidney Caine and Charles Weiner the firm has offices strategically located across the country to service their 3,500 clients.

Equifax and AutoTrader.com to Help Consumers Check their Credit

Equifax Inc., announced that it is working with AutoTrader.com to empower consumers during the car buying process. Through the new AutoTrader.com Credit Center, which is powered by Equifax, auto buyers can tap into a wealth of information on how credit impacts their ability to purchase a vehicle as well as tips on fraud and identify theft protection and preparing for a major purchase.

Through the AutoTrader.com Credit Center, consumers gain access to a portfolio of

Equifax Personal Solutions resources, including promotions for select products such as the 3-in-1 Credit Report with Score Power®. Delivered in an easy-to-read format, the 3-in-1 Credit Report enables consumers to view a line-by-line comparison of their credit file from all three nationwide credit reporting companies. Also featured on the AutoTrader.com Credit Center is Score Watch™, a score monitoring product consumers have the option to purchase. Score Watch monitors and alerts users when there is a meaningful change to their credit score—a key factor in credit

decision.

“The AutoTrader.com Credit Center is one more way we empower consumers coming to our site by giving them the best array of options to ensure a successful car buying experience,” said Chip Perry, president and chief executive officer, AutoTrader.com. “Our relationship with Equifax enables us to offer today’s car buyers and sellers easy access to the most reliable and up-to-date information about their credit.”



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