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TheBiz

CREDIT & COLLECTION NEWS

Collecting America's Debt since 1930!



Est. 1930

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Webinars!

Exciting new education opportunity through our alliance partnership

Van Nuys, CA—As tighter corporate budgets limit time and travel necessary to attend educational forums, on-line delivery of educational programs has become a popular alternative to the traditional classroom format. Webinars offered through NACM/Chicago-Midwest is one of the industry's most popular programs.

Designed for credit, collection and financial professionals, the seminars can be accessed from the participants PC, in the comfort of their office.

Topics recently offered include; commercial collection tools and

techniques, antitrust issues facing Credit Departments and the basics of finance and accounting for the credit function.

Specially priced at just \$89 per session for Caine & Weiner clients, seminar benefits include; no off-site travel, sessions taught by certified instructors, industry-specific subjects are discussed and several employees may participate for the cost of one.

The programs are originated through the education division of NACM/Chicago-Midwest, a member-owned trade association whose membership is comprised

of credit professionals and recognized as a leading provider of credit, education and financial management services in the industry.

Caine & Weiner and NACM/Chicago-Midwest recently established an alliance partnership. Their combined credit, collection and educational resources provide a centralized source to Credit Managers and others for obtaining assistance, eliminating the need to seek out and deal with multiple providers.

Additional information and online registration is available at <http://www.caine-weiner.com/education>.

As of October 28th it will no longer be possible to float a check

You've probably bought something in a store with a check even though you didn't have the money in your account at the time. You figured you had a few days for the check to clear, and by then the money will be there. It's called the "float".

As of October 28th, the float will be a thing of the past.

Because of a new law going into effect, money will be drafted from you account immediately when you write a check. It's called Check 21 and it allows retailers to scan your check through a point of purchase machine that deducts the cash from your account within minutes. Its essentially the end of the paper check system since the

check will eventually be destroyed. An online image of the check will be maintained to serve as the proof of the transaction if you need it.

Although the float has been taken away from consumers, the bank will continue to hold a deposit for a few days to make

(See Check 21 on page 4)

Caine & Weiner's Tampa office spared by Charley, Frances and Ivan

Tampa, FL—Mother nature pummeled Florida with a 1-2-3 punch by unleashing the fury of Hurricanes' Charley, Frances and Ivan.

Charley, which hit Florida and surrounding states in Mid August, inflicted at least a dozen deaths and \$1 billion in damage.

Frances followed in the first week of September resulting in the death of 13 people and the evacuation

of 300,000 Florida residents.

Hurricane Ivan was the third hurricane in a month to scar Florida's landscape and kill its residents. Pensacola joined the Florida cities West Palm Beach and Punta Gorda as synonymous with a litany of hardship including wrecked homes, scrambled marinas and uprooted trees.

Storm-related casualties

include 23 deaths and billions of dollars of property damage.

Gov. Jeb Bush of Florida called the damage "heartbreaking" adding "The larger Pensacola area appears to have experienced the brunt of the storm."

"We've been lucky here in the Tampa area", said William J. Vallecorse, Caine & Weiner's President-Central US. "No

major damage was reported, unlike the carnage in the surrounding areas. Our building did not close like many others that were hit, allowing the Caine & Weiner team to serve their clients.

As *The Biz* went to press the National Weather Service said the Carolinas and Georgia could be in for trouble next week from Tropical Storm Jeanne.

Complaints about debt collectors rise

Washington—If fear is the #1 tool used by collection agencies, as consumer lawyers claim, then the rise in complaints against debt collectors shows plenty of debt-related fear being generated in the U.S.

Views differ, however, on how bad the debt-collection industry really is. On the one hand, consumer

lawyers and the Federal Trade Commission note many examples of abuse by collectors. On the other hand, consumer lawyers often paint a bleak picture resulting from the complaints of a few bad apples in the profession in which 10,000 agencies conduct business.

Although the FTC reports a 19 percent increase in

debt-collector complaints, over the previous year, which include debt collectors threatening the debtor with "dire consequences", Rozanne Andersen, general counsel of Minneapolis-based debt collector trade association ACA international disagrees with the assertions.

"Understanding the debtor's situation", she said "rather

than instilling fear is the primary tool that collectors use".

Andersen thinks that debt-collector practices are much improved compared with five years ago, attributing the rise in complaints to the increased number of contacts by debt collectors who make billions of contacts with debtors each year.

Mortgage delinquencies up, foreclosures down

New York City, NY—U.S. Mortgage delinquencies rose in the second quarter of 2004 from the first quarter, but an improving U.S. economy and strong home price appreciation should keep the downward trend in delinquencies intact, a U.S. mortgage industry group said.

The Mortgage Bankers

Association said its measure of outstanding mortgages that were delinquent rose to 4.43 percent on a seasonally adjusted basis for the second quarter, up from the first quarter's 4.33 percent. The latest reading is down from the 4.97 percent for the same 2003 quarter.

Based on the continued

expansion of the economy and strong home-price growth in many regions, it is unlikely this small upward blip represents a reversal of the downward trend in delinquencies we have seen since the middle of 2001," said Douglas Duncan, the group's chief economist.



Do you have business news or something compelling to report?

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Credit card practices bring calls for reform

Kansas City, KS—
A consumer finance expert says financial services companies “have not played fair with American families” and applauds Sen. John Kerry’s pledge to curb credit card lending abuses.

Harvard law professor Elizabeth Warren says the credit card industry is the only business she knows of in which the seller can uni-

laterally change the price of a produce after the purchases buys it.

“The rule today is that credit card companies can quote you an interest rate at the time you use your card to buy a washer and dryer, and then four weeks after you get it in your home they can decide that the 9.9 percent rate should be 29.9 percent,” Warren said.

“They bury enough language in the fine print about their ability to change the terms and then they put an arbitration clause in so you can’t take them to court over it, and then the customer is stuck.”

Kerry, the Democratic presidential nominee said that he would propose to end such practices through legislation that would require notice

before rates were increased and would limit increases to a few percentage points.

According to a recent survey Americans are struggling to pay off their debts but are taking on additional debt. Forty-nine percent said they were borrowing more because they didn’t have enough money to pay in full when their credit card bills arrived.

Spending by 75% of Americans with Student loans is being restrained.

Islandia, NY —Three quarters of Americans (75%) who have outstanding student loans say these loans are big enough to prevent them from making major purchases such as a house or a car, according to the Cambridge Consumer Credit Index. That impact is up sharply from 68% of Americans whose spending was restrained by student loans in

2003 and 67% who said so in 2002.

Conversely, 25% now say educational loans are not enough of a burden to restrict their spending, down from 32% in 2003 and 33% in 2002. Of those surveyed, 19% of American households are now making payments on student loans, while 81% of respondents do not have any

outstanding education loans.

The results of the Cambridge Consumer Index wildcard show that the rising costs of education and the increased amount of borrowing needed to pay for college costs is having a huge and growing negative impact on consumer spending. As money needed for student loans

rises each year, less disposable income is left for everyday consumer spending and the ability to pay for big ticket items like cars and houses is diminished.

These findings are the result of monthly nationwide telephone poll of 800+ adults conducted by International Communications Research.

Freer consumer spending buoys up economy

Washington, DC—
Shoppers spent more freely in July raising hopes that June’s economic lull would not last.

The Commerce Department reported that consumers, key shapers of U.S. economic activity, boosted spending by 0.8 percent in July from the previous month. Their

appetite to spend was led by a rebound in demand for big-ticket goods such as cars, helped by buyers’ incentives.

The latest snapshot of buyer behavior marked an improvement from June when consumers cut spending by 0.2 percent as high energy prices and a sluggish job market

weighed on consumers’ willingness to spend.

Incentives on cars and discounting of other goods helped to bring buyers back in July. “Consumers know a deal when they see one and know when to wait for one to show up,” said Joel Naroff, president of Naroff Economic Advisors.

The 0.8 percent rise was slightly better than the 0.7 percent increase some economists had expected.

Americans’ incomes, the fuel for future growth, nudged up 0.1 percent in July following a 0.2 percent rise in the previous months.

Your satisfaction with our service is our highest priority!

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TheBiz

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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 our firm has offices strategically located across the country to service our 3,500 clients.

Check 21—continued from front page

sure it clears. It's not fair but that is the way it's happening.

What are the main effects of Check 21 on consumers?

"You won't be able to get your original paper checks back", said Greg Cohen, President and COO of Caine & Weiner, "because your bank will no longer have them".

Checks you write will clear sooner increasing the risk that your check will bounce if funds are not in your account. Don't write a check unless the funds are already in the account.

"You may not get access to the funds from checks you deposit any sooner", said Cohen, "because the new law does not shorten check hold times."

Banks will save money on processing checks but banks are not required to share these savings with consumers.

After October 28th, different kinds of copies of a check will have different rights attached. Check 21 creates a new kind of paper copy of an electronic image of a check. This special copy is referred to as a "substitute check". Only the substitute check can be the legal equivalent

of the original check. Only a substitute check can trigger your right to re-credit disputed funds. A regular copy does not carry the same protections. If you ask for a copy of a check, your bank may send you an ordinary copy instead of this special kind of copy which triggers legal rights and protections.

For additional information about Check 21, contact the following URL addresses:

www.consumersunion.org/finance/ckclear1002.htm

www.federalreservegov/paymentsystems/truncation/default.htm