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CREDIT & COLLECTION NEWS

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Presidents Circle Award

Recognition of Top Performers

Woodland Hills, CA In recognition of exceptional collection achievement by Caine & Wiener's team members, the Presidents Circle Award, was recently inaugurated by Greg Cohen, President of Caine & Weiner.

The coveted monthly honor recognizes outstanding performers at each of Caine & Weiner's national full-service centers. In addition to the prestige, the recipient receives additional compensation and their name is engraved on the Presidents Circle Plaque.

"In keeping with Caine & Weiner's culture of excellence", said Cohen, "We take great pride in recognizing and rewarding our top performers. These highly-regarded team members are to be commended for their outstanding accomplishments and the effort they devoted to distinguish themselves and Caine & Weiner."

To receive the award, an agent must exceed all performance goals, which includes; recoveries, customer service, audit requirements, professional metrics, PIF[2] accountability and work standards, an exceptional attendance record and adherence to professional work standards.

"Our team members are a most valuable asset", said Cohen. "We want them to know that their professionalism and hard work is genuinely appreciated."

Schaumburg Center Moves to New Location

Schaumburg, IL— With unprecedented domestic and international demand for the services provided by Caine & Weiner, additional employees have been hired, requiring more expansive facilities to provide them with the optimal work environment.

On Friday April 4th, our Schaumburg Center is relocating to a larger facility with 5,000+ square feet of office space. Normal business operations will resume Monday, April 7th.

The modern new 5-story Center, located at 1699 E. Woodfield Road, Suite #360, is less than a mile from the current office and features several amentias which include spacious work areas, a large conference room, training rooms and ample space to accommodate Caine & Weiner's ongoing expansion plans. The telephone and fax numbers remain the same.

Client visits are welcome.

Caine & Weiner Participates at NYSPMA Event

New York City, NY—Podiatrists practicing in the State of New York had an opportunity on January 25th-27th to attend the New York Podiatric Clinical Conference held at the New York Marriot Marquis.

Jill Weiner, (right) NYSPMA's Associate Executive Director, exchanges greetings with Bill Lovitt at the Caine & Weiner exhibit.

The conference, sponsored by the New York State Podiatric Medical Association (NYSPMA) provided a forum for the Doctors to familiarize themselves the latest case studies, learn about the latest sports medicine treatment plans, effective practice management strategies and more.

As the exclusive collection agency alliance partner for New York State Podiatric Medical Association, Caine & Weiner was proud to exhibit at the annual conference. Bill Lovitt, Caine & Weiner's Senior Vice President-Client Relations, was on hand during the three day event to personally meet with the members.

Bill and Dr. Michael Wodka have an opportunity to converse between the conference events.

As an exhibitor at this well attended event, Caine & Weiner had the opportunity to meet with many satisfied clients and NYSPMA members interested in learning more about providing receivable solutions for the global business community.

Congress to Consider Bankruptcy Relief to Help Homeowners

WASHINGTON, DC -- Congress is set to examine another round of possible repairs for consumers and investors threatened by widening cracks in the housing market.

Proposals include easing bankruptcy rules, shielding banks from lawsuits and providing government assistance to homeowners facing foreclosure. Lawmakers also plan this week to question several high-profile mortgage and banking executives about industry wide losses and lavish executive-compensation packages.

The housing proposals percolating on Capitol Hill, many of them designed by Democrats, are expected to face much tougher resistance than the recently approved economic stimulus package, which touched on the mortgage crisis in a limited way.

Some of these proposals have been kicked around in one form or another for months. Others are considered attempts to address perceived shortcomings in the Bush administration plan to freeze interest rates on a small percentage of loans made to high-risk borrowers.

A bill likely to be debated on the Senate floor includes a proposed revision to the U.S. bankruptcy code that would allow judges to cut interest rates and reduce what's owed on troubled borrowers' mortgages. Currently, mortgage lenders can foreclose against a homeowner in default on a primary residence 90 days after a bankruptcy filing, and judges have no authority to order changes in mortgage terms.

"We have an opportunity to pass a housing bill that will help the economy recover, help American families stay in their homes and change the law so this never happens again," said Sen. Richard Durbin of Illinois, the Senate's second-ranking Democrat and author of the proposal to ease bankruptcy rules.

A similar version of the bankruptcy measure, which has cleared a House committee, is fiercely opposed by lenders and many Republicans.

The Mortgage Bankers Association, which is lobbying against the measure, said it would end up hurting many more borrowers in the long run by requiring "higher interest rates and larger down payments to offset the risk" of bankruptcy court intervention on behalf of some homeowners.

Consumer advocates, meanwhile, are pushing senators to approve the change.

Included also in the Senate legislation is a measure mandating $200 million for foreclosure-prevention counseling services -- a near doubling of funds already committed by Congress -- and an allowance for states to issue more tax-exempt bonds so that housing agencies could help homeowners refinance high-cost mortgages.

In the House, lawmakers are considering whether the federal government should shield banks from lawsuits brought by investors whose holdings of mortgage securities are negatively affected by changes in loan terms or other measures intended to help at-risk borrowers.

Crisis Card Interest Rates Soar

Consumers have been stating their displeasure on online message boards recently with complaints that issuers, including industry leader Bank of America, hiked their credit card rates without explaining why.

Those increases come at a time when many consumers were expecting their card rates would fall, since the Federal Reserve began cutting the federal funds rate in September. That rate is indirectly tied to the rate of most credit cards.

Card issuers such as Charlotte-based Bank of America usually give themselves broad authority to change customers' interest rates -- a right that they include in the small type of the agreements that cardholders accept. Some consumers and analysts speculate that Bank of America, which saw profits all but disappear in the fourth quarter, is trying to squeeze money out of its credit card users to make up for disappointing earnings. And a January survey by the Federal Reserve found that more banks are tightening standards for approving credit card applications. It's an indication that issuers fear that the defaults plaguing subprime mortgages will spread to other loans.

Curtis Arnold, founder of U.S. Citizens for Fair Credit Card Terms, said he's also been hearing complaints of unexplained credit card rate hikes from customers of JPMorgan Chase. But it seems like Bank of America has been "more aggressive than some other issuers about repricing accounts," he said. His consumer group, based in Little Rock, Ark., runs the CardRatings.com Web site.

Bank of America spokeswoman Betty Riess said the rate changes are "business as usual." She stressed that in 2007, only about 6 percent of Bank of America's 40 million credit card customers experienced a rate increase. A little more than half of those came because customers fell behind on their payments or went over their limits.

Still, that leaves about 1 million Bank of America customers who were faithfully making their credit card payments but were hit with higher rates anyway.

Riess confirmed that Bank of America can change a customer's credit card rate based on "external credit criteria." That means customers who default on loans from other lenders or do anything that might lower their credit score can be slapped with a higher interest rate on their Bank of America card -- even if they've never missed a Bank of America card payment.

Consumer advocates say that's unfair. Riess says it's meant to benefit consumers. "This enables us to really look at the risk of an individual account, so accounts that are less risky receive a lower rate," she said. Any rate increases, she said, have a good reason behind them: "We do a thorough analysis before we make a decision."

Holley Pridmore of San Antonio said she's had a Bank of America credit card since 2002 and has never been late on a payment. But the bank recently increased her rate to 23.99 percent from 15.24 percent.

Pridmore, 49, pulled her credit history and called the bank. "If you can find a late payment in our entire history, I'll pay you $100," she told the customer service representative. "He said, 'That's not really the point,' and I said, 'Since when?' "

Credit cards are one of the most profitable lines of business for banks because they can charge high fees while incurring little overhead, said Rob Thompson, policy advocate for the N.C. Public Interest Research Group.

Bank of America's card services unit generated about $3.8 billion in profits last year, about one-fourth of the company's net income.

Global Cost of US Suprime Crisis Estimated at $7.7 Trillion

New York (AFP) The melt-down in the US subprime real-estate market has led to a global loss of 7.7 trillion dollars in stock-market value since October, a report re-cently prepared by Bank of America showed.

The crisis, which has spread beyond US shores to banks and other sectors worldwide, is "one of the most vicious in financial history," according to Bank of America chief market strategist Joseph Quinlan.

Quinlan said in the report that the losses are worse than any since black Monday of 1987, the 1999 Brazilian real currency crisis and the collapse of hedge fund Long Term Capital Management (LTCM) in 1998.

The losses were also greater than those suffered after the September 11, 2001, terror attacks, the Asian financial crisis starting in 1997, Argentina's default on its debt in 2001 and the 1994 Mexican peso crisis.

An analysis by the US bank showed that in the most recent episode linked to subprime, or high-risk, real estate loans to people with shaky credit, world market capitalization was down 14.7 percent three months after a peak in late October. That compared with a similar loss three months later of 13.2

"It could take months or even years before Wall Street and others get a handle on the true cost of the US subprime meltdown and the attendant global credit crunch," Quinlan said.

"While subprime loans were once thought to be relatively small in scale and contained to just one segment of the US financial sector, the opposite has become painfully evident over the past few months."

Quinlan said it is not clear that the massacre in equities is over yet.

"In the end, the current financial crisis is one for the record books and one, more ominously, not over yet."

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TheBiz

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Est. 1930

Client satisfaction is our highest priority!

Caine & Weiner is a global accounts receivable management company that provides commercial and consumer accounts receivable management & collection services to the domestic and International business community.

Established in 1930 by Sidney Caine and Charles Weiner the firm has offices strategically located across the country to service its 2,500 clients.

Housing Crisis Causes Record Loss for Thrifts

The thrift industry posted a record loss of $5.24 billion in the fourth quarter of 2007, as institutions responded to a downturn in the housing market by taking write-downs, recording restructuring costs and setting aside record levels of provisions for anticipated loan losses, recently reported by the Office of Thrift Supervision (OTS).

"These are difficult economic times and I expect our thrifts to continue to bolster reserves appropriately for the loan losses anticipated in 2008," OTS Director John Reich said in a news conference announcement. "The bottom line, as performance this quarter shows, is that the economic distress in the mortgage market is an earnings issue and not a capital issue for our industry."

About $4 billion of the overall loss resulted from a write-down by a few thrifts in goodwill, necessary to recognize the reduced value of acquired assets. Another $2.2 billion in losses were attributed to a restructuring charge by a single institution. OTS also reported that:

- The net charge-off rate for thrifts during the quarter was 0.60% of all outstanding loans, just shy of the record 0.61% seen in 1993, and compares with a rate of 0.39% in fourth-quarter 2006. For the year, thrifts charged off 0.41% of its outstanding loans, compared with 0.24% in 2006.
- Thrifts set aside $5.1 billion in loan loss provisions during the fourth quarter, up 219% from $1.6 billion in fourth-quarter 2006. For the year, loan loss provisions totaled $11.3 billion, up 197% from $3.8 billion in 2006.

Troubled assets, consisting of non-current loans and repossessed assets, were 1.65% of assets, up 95 basis points from 0.70% a year earlier.