TheBiz

Credit & Collection News from Caine & Weiner

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Caine & Weiner expands Southwest Center

Woodland Hills, CA—On Monday, September 17th, following several weeks of preparations, normal business operations resumed at Caine & Weiner's newest center in Addison, Texas located within the greater Dallas area.

The move to larger facilities from their former site in Plano, TX. where they have conducted operations since May of 2010, was needed to accommodate Caine & Weiner's growing work force and provide the opportunity for continued expansion while managing their high level of customer service to their clientele.

With increased demand for Caine & Weiner's domestic and international accounts receivable management solutions and expertise, this latest relocation to larger facilities follows similar moves at each of their other centers in Los Angeles, Chicago, Buffalo and most recently in Louisville.

The new office suite is located in the upscale Addison Plaza which is situated in a highly desirable hub of commerce, providing access and greater visibility to the industry work force.

"Our decision to expand to a larger Southwest full-service center and add to our existing staff," said Greg Cohen, Caine & Weiner's President & CEO, "reflects our steadfast commitment to serve all our stake-holders in our on-going pursuit to deliver the optimal performance and exceptional service with the best-in-class industry professionals."

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In this issue

Foreclosure starts fell on annual basis in August

By Alex Veiga
Associated Press

LOS ANGELES—The evolution of the U.S. foreclosure crisis is increasingly diverging along state lines.

On a national level, fewer homes were placed on the foreclosure track last month than in August last year, when they hit a 17-year high, foreclosure listing firm RealtyTrac Inc. said Thursday.

At the same time, so-called foreclosure starts increased almost exclusively in states like Florida and New York, where the courts must sign off on foreclosures, the firm said.

Conversely, in many so-called non-judicial states, like California and Arizona, the number of foreclosure starts declined versus August last year.

Full story

Rising gas prices crimp Americans' spending

By Christopher S. Rugaber
Associated Press

WASHINGTON -- Higher gas prices are crimping consumer spending and slowing the already-weak U.S. economy. And they could get worse in the coming months.

The Federal Reserve this week took steps to boost economic growth. But those stimulus measures are also pushing oil prices up. If gas prices follow, consumers will have less money to spend elsewhere.

The impact of the Fed's actions "is likely to weigh on the value of the U.S. dollar and lift commodity prices," said Joseph Carson, U.S. economist at Alliance Bernstein. "We would not be surprised if (it) fueled more inflation in coming months, squeezing the real income of U.S. workers."

Americans are already feeling pinched by high unemployment, slow wage growth and higher gas prices.

Consumers increased their spending at retail businesses by 0.9 percent in August, the Commerce Department reported Friday. But that was largely because they paid more for gas. Excluding the impact of gas prices and a sizeable increase in auto sales, retail sales rose just 0.1 percent.

Perhaps more telling is where Americans spent less. Consumers cut back on clothing, electronics and at general merchandise outlets — discretionary purchases that typically signal confidence in the economy.

Gas prices have risen more than 50 cents per gallon in the past two months. The national average was $3.87 a gallon on Friday. Most of the increase took place in August, which drove the biggest one-month increase in overall consumer prices in three years, the Labor Department said Friday in a separate report.

"Consumers were not willing to spend much at the mall since they are feeling the pump price pinch," said Chris Christopher, an economist at IHS Global Insight.

Weaker retail sales will likely weigh on growth in the July-September quarter. Economists at Bank of America Merrill Lynch slashed their third-quarter growth forecast to an annual rate of only 1.1 percent, down from 1.5 percent. That's not nearly fast enough to spur more hiring, which has languished since February.

The Fed is hoping to kick-start growth with a series of bold steps announced Thursday that could make borrowing cheaper for years.

Full story

Richest 400 Americans' net worth jumps 13 percent to $1.7 trillion: Forbes

By Dan Burns
Reuters

NEW YORK—The net worth of the richest Americans grew by 13 percent in the past year to $1.7 trillion, Forbes magazine said, and a familiar cast of characters once again populated the top of the magazine's annual list of the U.S. uber-elite, including Bill Gates, Warren Buffett, Larry Ellison and the Koch brothers.

The average net worth of the 400 wealthiest Americans rose to a record $4.2 billion, the magazine said.

Collectively, this group's net worth is the equivalent of one-eighth of the entire U.S. economy, which stood at $13.56 billion in real terms according to the latest government data. But the 13 percent growth in the wealth of the richest Americans far outpaced that of the economy overall, helping widen the chasm between rich and poor.

Bill Gates, the chairman of Microsoft Corp, topped the list for the 19th year in a row with $66 billion, up $7 billion from a year earlier.

Warren Buffett, chairman and chief executive of insurance conglomerate Berkshire Hathaway Inc, stood second with $46 billion, followed by Larry Ellison, head of software maker Oracle Corp, with $41 billion; and the Koch brothers, Charles and David, who run the energy and chemicals conglomerate that bears their name, Koch Industries, were tied for fourth with $31 billion, Forbes said.

The ranks of the top five were unchanged from a year earlier.

Two notable names dropped from the top 10, however. Casino magnate Sheldon Adelson, also active in conservative political causes, fell to the 12 spot from No. 8 last year, and financier George Soros dropped five spots to No. 12 from the No. 7 position one year ago.

The disappointing stock market debut of Facebook Inc also took a toll on the fortune of its founder and CEO, Mark Zuckerberg. His net worth fell by nearly half to $9.4 billion, and he slid to the No. 36 slot from No. 14 a year ago, Forbes said.

Demand for credit rises as overall consumer risk falls

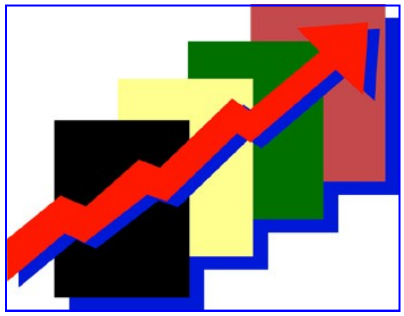
By Darren Waggoner
Credit and Credit Risk

Demand for consumer credit showed an increase of 21.4 percent in the second quarter ended June 30 compared with the year-ago period, according to TransUnion's Total Inquiry Index.

"The increase in consumer-initiated inquiries indicates stronger consumer demand for credit, and may be a signal that consumers are beginning to increase their spending on discretionary items and larger-ticket purchases, reflecting stronger consumer sentiment and confidence toward the U.S. economy," says Charlie Wise, director of research and consulting in TransUnion's financial services business unit.

TransUnion's Credit Risk Index, a gauge of the risk inherent in the U.S. credit-using population, fell in the second quarter, reversing the increases seen in the prior two quarters. A higher index indicates a higher level of credit risk.

"It was good to see the credit risk level decline this quarter to roughly the same level it was last year," says Wise. "Delinquency rates for major loan types have all declined in the first half of 2012, and that contributed to the drop in the risk index in the second quarter."



The Credit Risk Index decreased 1.57 percent in the second quarter compared with the prior quarter, from 123.98 to 122.03. On a year-over-year basis, the Credit Risk Index had a nominal 0.66 percent Increase.

Delinquency rates for major consumer loan types, including bankcard, auto, and mortgage, all declined on a quarter-over-quarter basis in each of the first two quarters of 2012. Delinquency rates for each of these loan types remained flat or declined year-over-year from Q2 2011 to Q2 2012. These improvements in loan delinquency rates have offset moderate increases in consumer borrowing over the past year.

Full Story

Home sales jump to highest since May 2010

By Christopher S. Rugaber
Associated Press

WASHINGTON — A jump in sales of previously occupied homes and further gains in home construction suggest the U.S. housing recovery is gaining momentum.

Sales of previously occupied homes rose 7.8 percent in August from July to a seasonally adjusted annual rate of 4.82 million, the National Association of Realtors said Wednesday. That's the highest level since May 2010, when sales were aided by a federal home-buying tax credit.

At the same time, builders broke ground on 2.3 percent more homes and apartments in August than July. The Commerce Department said the annual rate of construction rose to a seasonally adjusted 750,000. The increase was driven the best rate of single-family home construction since April 2010.

The pair of reports comes amid other signs of steady progress in the housing market after years of stagnation. New-home sales are up, builder confidence is at its highest level in more than six years and increases in home prices appear to be sustainable.

Auto sales post best August in five years

By Bernie Woodall and Deepa Seetharaman
Reuters

DETROIT—Automakers turned in their best August since before the 2007-09 recession, with U.S. monthly auto sales rising 20 percent from a year ago as consumers with aging vehicles showed more confidence in buying big-ticket items on easier credit terms.

Big sales gains were achieved by Japan's Toyota Motor Corp <7203.T> and Honda Motor Co <7267.T>, which continued to recover after last year's earthquake and tsunami.

All three Detroit automakers increased August sales more than analysts had expected.

Total sales for the month were 1,285,202 vehicles, according to Autodata Corp, the highest monthly sales figure for any August since 2007, when 1.47 million autos were sold in the United States.

"The reason for the improvement is that consumers are feeling better about making big-ticket item purchases," said Jesse Toprak, autos analyst with TrueCar.com.

He also said that new models from Detroit and foreign automakers gave consumers "the best selection ever."
The auto sales pace last month was the latest sign suggesting consumer spending fared better early in the third quarter after weak consumption held back economic growth to a 1.7 percent annual pace from April through June.

Full story

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Est. 1930

Caine & Weiner—Since 1930, the world-class accounts receivable management solution for 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 2,500 clients.

S&P/Experian: Consumer defaults drop in August

By Ben Fox
Market Watch

Consumer defaults in August declined for the eighth consecutive month, as nearly all loan types posted their lowest rates since the end of the recession, according to a monthly survey from Standard & Poor's Indexes and Experian PLC (EXPGY, EXPN.LN).

The composite index recorded a post-recession low of 1.5% last month, down slightly from 1.51% in July. A year-earlier, the rate was 2.04%.

Only auto loan default rates rose, to 1.09% from 1.01% in July. Still, the rate was below the 1.31% recorded a year ago.

Bank card defaults fell to 3.77%, from 3.83% in July and 5.26% last year.

First mortgage defaults dropped to 1.4%, from 1.41% in July and 1.92% a year ago.

Second mortgage defaults fell to 0.72%, the lowest rate in its history of over eight years and below the 0.75% in July and 1.27% last year.

"While continuing to fall, most of the August changes in default rates were small compared to what we saw in the first half of the year," says David M. Blitzer, chairman of the index committee for S&P Dow Jones Indices. "As the consumers' financial condition continues to improve their credit default rates showed small changes from July to August, in most cases the trend was either down or flat."

Geographically, default rates in August from July were flat in New York City, fell in Los Angeles, and rose in Chicago, Dallas and Miami.