TheBiz

Credit & Collection News from Caine & Weiner

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Caine & Weiner to participate in NACM's 118th Credit Congress

Woodland Hills, CA—As the exclusive alliance partner of NACM Connect, a highly active NACM affiliate comprised of NACM Midwest, NACM Gateway and NACM Upstate New York, Caine & Weiner is eagerly making preparations again to support the National Association of Credit Management's (NACM) Annual Credit Congress & Exposition.

This years 118th conference will take place from June 8th through June 11th at the Rosen Shingle Resort and Spa in Orlando, Florida.

Caine & Weiner is an active supporter of the annual conference which is the largest gathering of business credit professionals in the United States. Our team will be on hand at our exhibitors booth, #609, to greet clients, renew relationships and demonstrate first hand the advantages to be derived by using our innovative 1st and 3rd party solutions for optimizing accounts receivable management. Booth visitors will also have an opportunity to win prizes and take home promotional items.

The Rosen Shingle Resort & Spa

In keeping with Caine & Weiner's tradition at the annual event, we will co-host an invitation only Hospitality Suite, to be announced.

Please remind yourself to visit our website at www.caine-weiner.com which will soon be announcing the time and place of our hospitality suite.

Caine & Weiner certified by IACC

Woodland Hills, CA—The International Association of Commercial Collectors, Inc (IACC) announced that Caine & Weiner successfully completed its rigorous certification process to become just one of 23 agencies to be named to the elite group.

Although the IACC has 350 worldwide members, to become a certified agency it must demonstrate professionalism and devotion to providing quality collection services.

The process requires a two-part application process with proof of bonding and insurance and an independent verification of financial stability conducted by an independent CPA firm.

Caine & Weiner takes considerable pride being a certified agency.

IACC International Association of Commercial Collectors, Inc. Certified Agency

Stress Test Results: Big banks look healthier as 29 of 30 pass, Zions fails

Forbes
Halah Touryalai

All but one bank passed the Federal Reserve's stress test today.

The Fed said 29 of the 30 big banks that underwent the Dodd-Frank Act stress test would have enough capital on hand to endure a major economic downturn. Zion's Bancorp ZION -0.84% was the only bank that failed to meet the 5% top-tier capital threshold.

This year's DFAST examined how banks would hold up if a deep recession were to hit; the scenario included a sharp rise in the unemployment rate, a drop in equity prices of nearly 50%, and a decline in house prices to levels last seen in 2001.

Zion's projected Tier 1 capital under the stressed scenario only reached 3.5%, falling short of the Fed's required 5% mark. Bank of America and JPMorgan Chase were also low on Tier 1 with 6% and 6.3% respectively. Wells Fargo hit 8.2% and Citigroup reached 7% under the hypothetical scenario.

Top stress test performers include Bank of New York Mellon and State Street Corporation with 13.1% and 13.3% in Tier 1 capital, respectively.

The Fed said the 30 banks would experience $501 billion in losses under the stressed environment. That includes projected loan losses of $366 billion, and $98 billion in trading and counterparty losses at the eight banks that have substantial trading or custodial operations.

"The largest banking institutions in the United States are collectively better positioned to continue to lend to households and businesses and to meet their financial commitments in an extremely severe economic downturn than they were five years ago. This result reflects continued broad improvement in their capital positions since the financial crisis," the Fed said.

Click here for full story

Housing market much healthier than four years ago

Collections & Credit Risk
Darren Waggoner

An analysis of housing market health in 410 U.S. counties over the past eight years found that 96 percent of the markets are better off than they were four years ago when foreclosures peaked, but only 8 percent are better off than they were eight years ago in 2006 before the housing price bubble burst.

RealtyTrac an Irvine, Calif., housing data firm, conducted the study, which included reviewing markets in two-year increments.

The analysis looked at four key categories of housing market health: home price appreciation, affordability, percentage of bank-owned (REO) sales and the unemployment rate. Each county received a ranking between 1 and 2.5 for each category each year, and the four rankings were summed up for a total index score for a maximum possible score of 10 each year. The 410 counties analyzed in the report account for 63 percent of the U.S. population.

The analysis further found that 80 percent of the county housing markets were better off than two years ago, when median home prices hit bottom, and 30 percent were better off than six years ago in 2008, at the front-end of the recession.

"The housing recovery has taken root in hundreds of counties across the country and almost all local housing markets are better off than they were four years ago when foreclosure activity peaked in 2010, with more than 1 million homes lost to foreclosure in that year alone," said Daren Blomquist, vice president at RealtyTrac. "We saw less than half that number of bank repossessions nationwide in 2013."

Click here for full story

United States: Creditors deserve better bankruptcy reform

Mondag
Leslie Berfoff

While the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 was rightfully heralded as an attempt to address many common abuses by debtors, the financial services industry still finds itself at a disadvantage to serial filers holding up the recovery process.

By repeatedly seeking the protection of the automatic stay, these distressed business owners and individual consumers are unnecessarily dragging out the process of getting money and property back to the creditors. As a result, financial institutions are all too often mired in these legal technicalities rather than providing new loans to more viable candidates who might be better positioned to help grow the economy.

Taking into consideration the concept of "schemes" for repeat filers in a nonresidential real estate arena was a giant step forward in 2005 and demonstrated that lawmakers understood these blatant abuses had been occurring.

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Professional Service, Personal Attention—Proven Results!

Five things the FTC will get tough on in 2014

AD Age

Kate Kaye

WASHINGTON -- As data becomes the bedrock for more and more businesses, data security is becoming increasingly important. The sheer amounts of data, coupled with headline-making data breaches, has led the Federal Trade Commission to be more active in the space. FTC Chairwoman Edith Ramirez yesterday took part in a Q&A at the Global Privacy Summit, an event hosted by the International Association of Privacy Professionals here in Washington, D.C., where she talked about a range of topics from de-identification to the need for regulation to international compliance.

1. De-identification

Expect the FTC, 100-years-old this year, to begin working in earnest to develop guidelines for data de-identification. Data collectors often throw around terms like hashing and encryption, tools for stripping personally-identifiable information from consumer data. However, there are no industry standards in place for so-called de-identification, an increasingly necessary process for enabling marketers to employ data while protecting consumer privacy.

"It is still an initiative we're examining," said Ms. Ramirez today. "It's a very fruitful avenue that ought to be pursued," she said.

Elemental to that project is FTC Chief Technology Officer Latanya Sweeney, who in her academic work as Harvard's Data Privacy Lab director focused on issues surrounding de-identification and re-identification, or the ability to decipher an individual's identity despite the fact that de-identification measures have been implemented.

Click here for full story

What the CFPB has in store for 2014

NerdWallet

Forget fashion week or the spring draft pick. The Consumer Financial Protection Bureau (CFPB) has some exciting new plans in the works for 2014, including possible changes to debt collection practices, overdraft practices and payday loan disclosures. We think you should know what's on the agenda and put in your two cents if you're feeling plucky.

Life cycle of a rule

You can find out everything you need to know about the CFPB at its website, but there's a lot of information to wade through over there, so here's the boiled down version of the rulemaking process:

There are many steps to rulemaking, and sometimes they vary, but each rule, like a butterfly, goes through stages, a few of which include: pre-rule, proposed rule, and final rule. There are opportunities for public comment within or between these stages.

Here's the pre-rule and proposed rule lineup for the first half of 2014. Feel free to head over to the CFPB agenda if you want to weigh in on the rulemaking.

Pre-rules

Home Mortgage Disclosure Act (HMDA)

The HMDA was created in 1975 to allow the government to collect data about home loans to determine whether or not housing needs are being met, public-sector investments are attracting private investments, and to ferret out bad lending practices.

The Dodd-Frank Wall Street Reform and Consumer Protection Act gave CFPB the authority to require new information from lenders; including, identifiers for loans, parcels, and loan originators, so the CFPB plans to develop new regulations about the data to be collected, the appropriate format for collecting data, as well as procedures, information safeguards and privacy protections.

Annual Privacy Notices

Financial Institutions are required to send out annual statements regarding client privacy policies. The rule under consideration would make it so that a company would not have to send out an annual statement if there were no changes to its privacy policy. The rule is intended to take a burden off of financial institutions and save a bundle of paper.

Payday loans and Deposit Advance Products

After reviewing data, the CFPB is concerned about consumer overuse of these expensive products, which often have an interest rate of 400 percent. The bureau is looking into whether or not rules around these products are necessary or appropriate.

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Factoid

American consumers are $11.23 trillion in debt, eight percent of which, or about $900 billion is delinquent, while $678 billion is seriously delinquent at 90 or more days late.

CNN

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716-633-0235

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972-248-6499

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.

TheBiz

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Est. 1930

There are almost as many payday lenders as McDonald's and Starbucks, No, really

The Washington Post
Danielle Douglas

Imagine you're making $30,000 a year, with two kids, a 15-year-old car and $1,300 rent. You manage your bills just fine most months, but a busted carburetor has thrown you for a loop. None of your relatives can float you the cash, nor will any bank loan you the money. But your neighborhood payday lender will, charging $15 for every $100 you borrow. All you have to do is repay the money with your next paycheck.

But it doesn't work out that way. Instead, a loan that you figured would only take a month tops to repay has taken six. You couldn't afford to repay the entire loan with your paycheck, so you paid a portion and rolled over the rest. In the end, you wind up paying over a hundred dollars in additional fees.

This scenario is increasingly a reality for millions of Americans, according to regulators and lawmakers, who are debating how to protect consumers from falling into a debt trap without eliminating their access to small-dollar credit.

At a Senate Banking Committee hearing Wednesday, Sen. Sherrod Brown (D-Ohio) said he was concerned that payday companies are marketing their high-cost loans to the very people who can least afford them, much like predatory mortgage lenders did in the run up to the housing crisis.

All most payday lenders require is that you have a steady stream of income and a checking account. They don't weigh your credit score or ability to repay the loan.

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