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A publication of Credit Professionals International

September 2018



THE CREDIT CONNECTION

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Message from the President

Marylyn Tack,

President - Credit Professionals International 2018-2019

"I thank you for your continued support of Credit Professionals International.

It is because of each of you that we continue to be successful."

Marylyn Tack

I would like to thank the members for their continued support of Credit Professionals International. It is because of each of you that we continue to be successful.

There are several upcoming items you should be aware of:

- Raffle tickets are being mailed in September. The first prize is for a Brahmin Melbourne Collection Alena Crossbody purse valued at \$255 and a matching Mini Index Wallet valued at \$55. The second prize is for two \$100 Amazon gift cards. The tickets are 1 for \$1.00, 6 for \$5.00, 15 for \$10.00 or 40 for \$20.00. So let's try to sell as many tickets as possible to your friends, family, co-workers, neighbors and anyone else you can. Proceeds are to go to Credit Professionals. Drawing will be December 10, 2018.



The Credit Connection is a publication of Credit Professionals International, P. O. Box 220714, St. Louis MO 63122. Phone: 314/821-9393. Fax: 314/821-7171. Email: creditpro@creditprofessionals.org. Website: www.creditprofessionals.org

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- The Strategic Planning Meeting is October 12th and 13th. It will be held at the Drury Inn, St Louis, Mo. Please plan on attending. Please let Charlie Gordon or myself know if there is anything you would like to have us discuss at this meeting.
- In December we will send out tickets for the 50/50 raffle. Drawing to be held at the International Conference in Albuquerque June 2019.

To those associations that are sponsoring a school for the Banzai program, please reach out to the school and the teachers to ensure our continued success.

I thank you for your support and encourage you to contact me at any time if you want to discuss any issues or if you need assistance.

Marylyn

CPI DUES RENEWAL DEADLINE IS FAST APPROACHING

It's time to renew your CPI membership," says CPI Vice President and Membership Chairman Connie Hamilton.

September 30, 2018, is the deadline for regular, at-large and direct members to renew their dues so that they can continue to reap the benefits of CPI membership. International dues are \$100.00, with three exceptions.

- Employers who cover CPI dues for their employees pay \$100.00 each for the first two employees and \$85.00 each for any additional employees.
- Past International Presidents, whose term ended prior to June 2015.
- Student members.

Members who belong to local associations should pay their International dues to their local association and the treasurer will forward them to CPI. At-large and direct members can send their dues directly to CPI at the Corporate Office (P. O. Box 220714, St. Louis MO 63122).

All members can also pay International dues by credit card through PayPal.

At-large members are those who belonged to a local association but no longer live in an area where there is one. Direct members are members who never belonged to a local association and do not have any in their area.

2018 Strategic Planning Meeting Set for October in St. Louis

The 2018 Strategic Planning Meeting will be held October 12-13 in St. Louis, MO, at the Drury Inn Hotel directly across the street from the airport.

CPI members who are unable to make the trip to St. Louis will be able to attend and participate in the meeting directly from their home, office or favorite coffee house, via their computer, laptop or smart phone. Those lacking internet access are urged to team up with a member who does.

CPI is making some changes to improve the connection between members onsite and those attending remotely.

Those who will be attending in person should be certain to give the group number 2280659 when making their hotel reservations.

When the meeting agenda is finalized, it will be posted on the CPI website. Members who do not have internet access can obtain a copy by mail from the Corporate Office.

Growing Our Membership

Connie Hamilton

Vice President

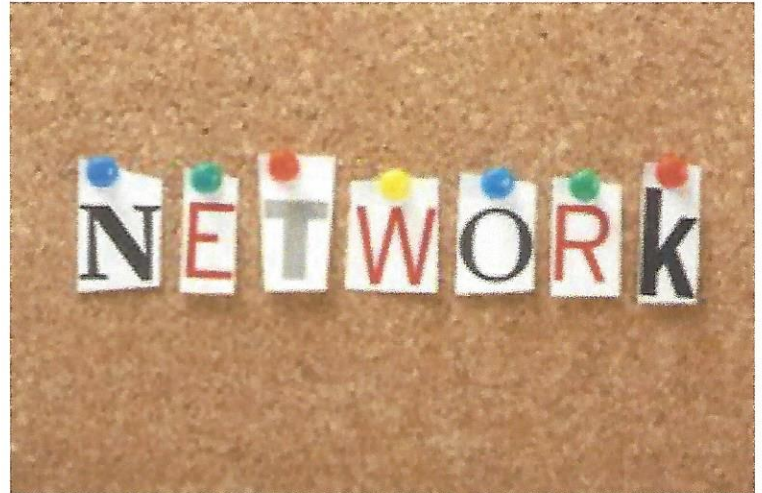
Membership Chairman

First of all let me get the pleasantries out of the way—dues are due! That's \$100 each by 9/30/2018 if at all possible! If they are a little late a phone call to let us know that they are "in the mail" would be helpful and appreciated! Thank you all so much for your continued membership in CPI!

As you all know we are all members of the Membership Committee! And as always and most urgently we need to increase our membership base.

The most current numbers are the same as those reported at the 2018 Conference in Charlotte, NC in June. We have four Districts reporting 81 members plus two Direct members and 14 At Large members, 11 of which are Past International Presidents who no longer have a local association. Also, a number of our Past Presidents do pay dues even though they are not required to do so.

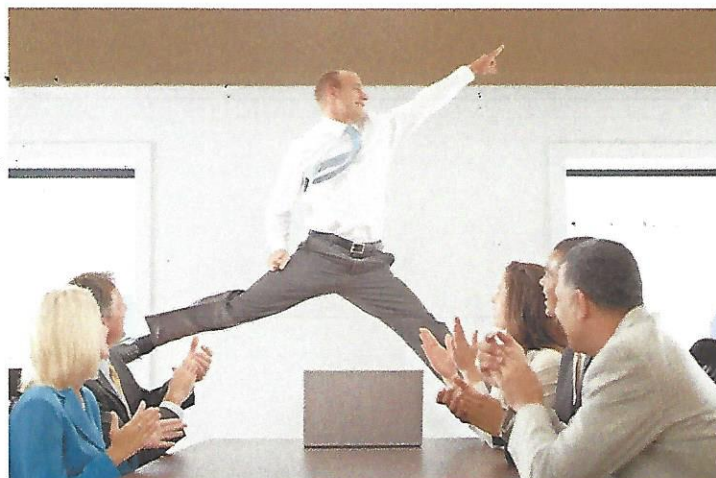
The Membership Campaign this year will be enhanced with a drawing to receive a free registration to the 2019 International Conference being held in Albuquerque, NM June 27-29, 2019. Those qualifying for the drawing are any members having three or more new members with dues paid for the current year.



We will also continue the 25% membership discount for the first year of membership as well as the 10% membership discount for the second year of these new memberships.

So please get out there and ask again, and again, and again, if necessary, for people to join! Ask at your local businesses, ask your neighbors, ask your friends, ask your family! Ask them one and all to join our group! And, then get them to come to conference—we promise that we will be nice to them!

Have you asked?



A Tribute to LaFrance Grubbs, CCCE CPI's Oldest and Longest Member June 24, 1918-June 1, 2018

By Hazel Wilson Knopp, CCCE
Past International President, 1988-1989

On June 1st, 2018, we lost LaFrance Grubbs, a very special Lady and the Very Best Friend anyone could have. This sad event happened 23 days before her 100th Birthday. The party was planned but she just couldn't wait, she passed quietly in her sleep.

LaFrance was born June 24th, 1918, in Pendleton, Oregon, to John and Winnie Blanchet. She had two sisters and four brothers. She attended a one-room school house in Coombs Canyon from grades 1-8, after which she moved to town and graduated high school from St. Joseph's Academy.

LaFrance had a long, active and successful business career starting as the Bookkeeper for Van Petten Lumber Company. She worked for many years for the Pendleton Flour Mill as their Credit Supervisor. She finally retired in 2003 at the age of 85 from her third career as the Executive Director of the Consumer Credit Counseling Service of Pendleton and area.

LaFrance joined Credit Professionals International in 1960. She worked tirelessly for CPI at the local, district and international levels, serving as Local and District President.

She received many awards at the highest levels CPI can give, as well as awards from the Consumer Credit Association of Oregon and from ICA District 10.. She received the following awards from CPI and from District 10 CPI:



CPI Awards were:

Credit Professional of the Year, various levels—1978, 1995, 2007, 2013, 2014

Pendleton CPI Boss of the Year—1997-1998

CPI Conference Chairman. Pendleton—2002, 2003, 2005

Helen B. Sawyers Award—Excellence in Leadership (1st time awarded) 2003

CPI Hall of Fame Award—2009

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CCA of Oregon Awards were:

President—1978-1979
Lifetime Honorary Membership – 1985
Excellence in Education Award

District 10 ICA Awards were:

Herb Barnes Award

In 1987, she worked tirelessly for over a year on the Pendleton 100th anniversary clock tower project. And, in 1990, LaFrance was named Pendleton First Citizen and Woman of the Year for all her work for the community.

LaFrance and her husband Oscar were great supporters of the annual Pendleton Round-Up, earning a Gold Card Lifetime Membership for their family to the Annual Rodeo.

One of her good friends said LaFrance reminded her of the “Ever Ready Bunny”—small, always on the go and unstoppable.

This busy, amazing lady was a friend and mentor to so many and always with such beauty, class and grace.

La France will always be remembered for her love and kindness to her family and friends.

LaFrance was pre-deceased by the love of her life, Oscar Grubbs, whom she married on May 29th, 1938. She is survived by her daughters, Judy Kay Pranger, Gaynell Woodell and Rachelle Doherty along with her three Sons-in-law. She has 12 grandchildren, 20 great grandchildren and one great-great grandchild. She also has a host of nieces, nephews and unofficial children and grandchildren who were privileged to enjoy her special love.



(top left) LaFrance gets a big hug from her daughter on her 99th birthday.



(top right) LaFrance (on the left) loved to travel with friends.

(bottom left) Her grandchildren held a special place in her heart.

(bottom right) LaFrance (far right) had a great sense of humor and enjoyed having fun with friends and family.



U.S. Government News

CFPB Names Leader of Innovation Office U.S. House Considers Bill Requiring Counseling for Student Loan Borrowers

CFPB Taps Arizona Office to Lead Innovation Office

The Consumer Financial Protection Bureau has named Paul Watkins, a lawyer in the Arizona attorney general's office, to lead the bureau's Office of Innovation.

Acting CFPB Director Mick Mulvaney is ramping up the innovation office's focus "on encouraging consumer-friendly innovation, which is now a key priority for the bureau."

Mulvaney said "I am delighted that Paul Watkins is bringing his deep expertise, track record of protecting consumers, and commitment to innovation to the bureau. I am confident that, under his leadership, the Office of Innovation will make significant progress in creating an environment where companies can advance new products and services without unduly restricted by red tape that belongs in the 20th century."

House to Vote on Bill Requiring Annual Counseling for Student Loan Borrowers

The U. S. House plans to vote on legislation, the Empowering Students Through Enhanced Financial Counseling Act, H.R. 1635, which would provide annual financial counseling for student loan borrowers.

The bill, reintroduced by Reps. Brett Guthrie, R-Ky., chairman of the Higher Education and Workforce Development Subcommittee, and Suzanne Bonamici, D-Ore., amends, among other measures, the loan counseling



requirements under the Higher Education Act of 1965.

In reintroducing the legislation, Bonamici said that for students receiving federal loans, financial counseling is currently only required at the beginning and end of their academic careers.

"Part of fixing the problem is ensuring that student borrowers grasp the extent of their financial obligations," she said. "By requiring students to complete annual financial counseling when they accept federal student aid, we can help them better understand which financial options to draw from first and the implications of their future debt load and repayment scenarios."

The legislation is designed to improve "the timing, frequency and content of financial counseling," she added.

The legislation says, in part, that "each eligible institution shall ensure that each individual who receives a Federal Pell Grant or a loan receives comprehensive information on the terms and conditions of such Federal Pell Grant or loan and the responsibilities the individual has. Such information shall be provided, for each award year for which the individual receives such Federal Pell Grant or loan, in a simple and understandable manner."

The counseling, which can be either in person or online, would test the "understanding of the terms and conditions" of the loan.

How I Got a Perfect 850 Credit Score

By Michelle Singletary

WASHINGTON — For many consumers, a perfect credit score is like a four-leaf clover. You know it exists. It's just rare.

The FICO credit score model ranges from a low of 300 to a high of 850. Just 1.5 percent of score-able U.S. consumers earned an 850 as of this past April, according to Ethan Dornhelm, vice president of Scores and Predictive Analytics at FICO.

Each credit bureau report generates a score depending on the model used. The most widely used is FICO. So, you can have more than one credit score depending on the credit file searched and the version of the scoring model used.

I keep a constant watch on my scores, taking advantage of the many ways to view them for free. By the way, the scores given to consumers can differ from the ones used by lenders.

Earlier this month, I logged onto Discover Credit Scorecard (creditscorecard.com) to view my free "FICO 8" score, which is based on my Experian file. Generally, my numbers fall in the low 800s. And it was: a perfect 850 score.

Thinking it might be an aberration, I pulled my score at freecreditscore.com, which uses the same model and credit bureau. Another 850.

I logged in to one of my bank accounts. This lender uses the "FICO 9" model. Still 850. At my credit union, ditto, but it pulls information from Equifax. **Four checks. My four-leaf clover.**

For a second, I thought I heard the "aaaahhhh" sound of an opera singer.

A reader named April from Millville, New Jersey, wrote to me recently, fretting about her inability to reach this pinnacle.



"I have a credit score of 800," she wrote. "I pay my bills in full and on time every month. I have no debt except a mortgage that we pay extra on every month. What in the world allows someone to have an 850?"

Let's take a deep dive into my Discover report, which nicely lays out the five categories affecting your FICO score, with specific explanations that can push you to perfection. Here's what was listed, starting from least important to most vital.

- **Credit mix:** The scoring model looked at 16 accounts, which included some installment loans (mortgages, auto loans, etc.) and revolving accounts (credit cards). A mix of credit shows you can handle various types of debt, and this counts for 10 percent of your score.
- **Length of credit:** My oldest account has been open for nearly 25 years. A long credit history accounts for 15 percent of your score.
- **Recent inquiries:** When you want to borrow, a lender will pull your credit report, and that's called a "hard inquiry." In the last

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twelve months, I haven't applied for any new credit. Not actively seeking to use other people's money demonstrates a lower credit risk. New credit determines 10 percent of your score.

- Revolving utilization: The amount of debt you owe determines 30 percent of your score.

I pay my credit cards off in full every month. But, even so, I also make sure that, during the billing cycle, I don't spend anywhere near my available credit limit.

You've probably been told, including by me, that you should keep your utilization of your credit limit to no more than 30 percent.

However, that's just a general target. FICO says there's no specific threshold when utilization begins to negatively affect your score. But analysis has shown that consumers with FICO scores over 800 use an average of just 7 percent of their available credit.

In the period in which my score was assessed, my revolving utilization was just one percent.

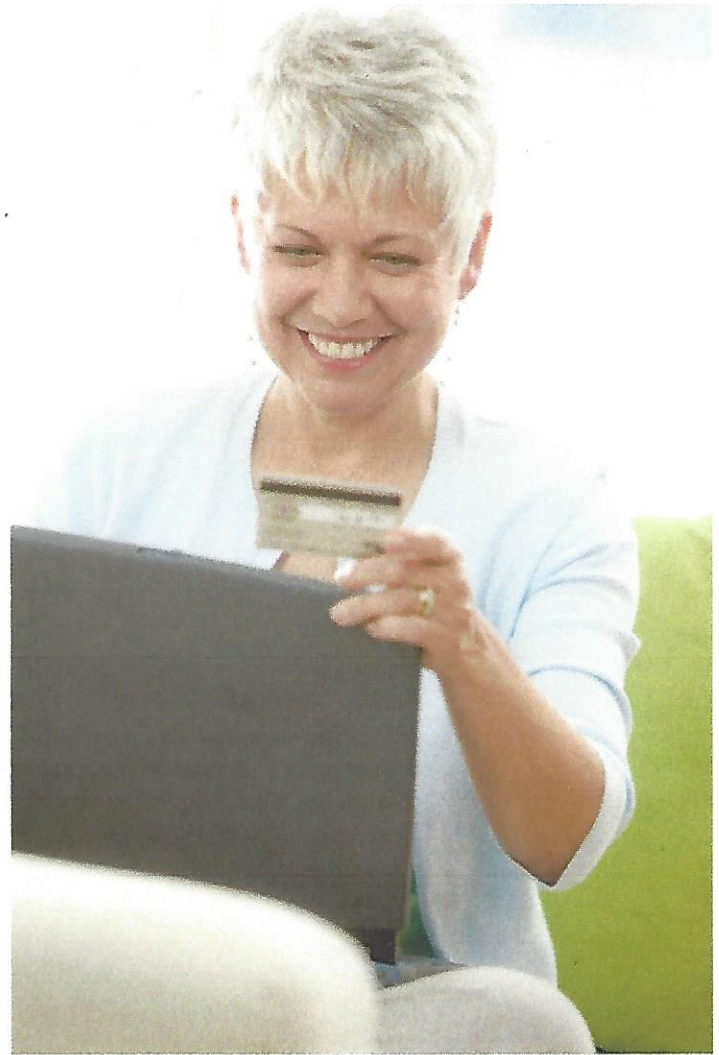
Missed payments—This is the big dog. Your payment history accounts for 35 percent of your score. My report showed zero late payments on any accounts for the past year and none over the last seven.

"On average, consumers with a FICO score of 850 have over 25 years of spotless credit history," Dornhelm said.

So, to sum it up, people with an 850 perform spectacularly across all five scoring categories, Dornhelm said.

"They typically don't have a single delinquency on file, use a very low percentage of their available revolving credit, have a well-established credit history, and seldom open new accounts, applying for credit only when necessary," he said.

I'm not all high and mighty or obsessed about getting a perfect score or keeping it. Once you get into the mid-to-high 700s, it's all the same



from there. You don't need perfection to qualify for the best credit deals.

And while reaching this milestone is pretty cool, what does it really mean?

You can have a great credit score and still be struggling. High-score achievers are not necessarily debt-free. They often have multiple credit cards with balances, according to FICO.

An excellent credit score alone doesn't measure your total financial soundness. It's just a measure of your ability to manage debt.

About the author:

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STUDENT CORNER

Finance 101

By Federal Deposit Insurance Corporation

Fall is an exciting time for many college students. Making new friends and settling into a new environment can be fun but it also comes with new responsibilities. Whether it's your first year in college or you are a returning student, adjusting to new classes, studying, trying to fit in social activities, and figuring out your finances can be overwhelming.

So while you are off stretching your wings, here are some tips for stretching your wallet:

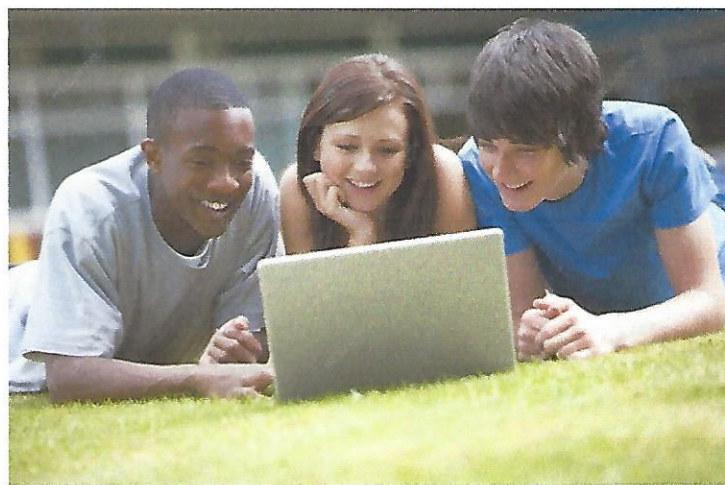
Know Your Budget

Knowing your budget puts you in charge of your money. This is essential to successfully managing your finances. A budget helps you track your income and expenses and allot specific amounts of money for spending.

Take action now to avoid financial hardship in the future. Start by recording all of your income, such as wages, stipends, and money from parents, and consider any anticipated changes to your income or expenses over the course of the school year.

Next, make a list of expenses, such as utilities, rent, school supplies, personal items, food, and entertainment. Include as much detail as possible in your budget to make it easier to track your money.

Try using an online personal finance management tool or download a mobile app that will create a budget for you to make it easier to stick to your budget. Regardless of the method you choose, consistency is the key to successful financial planning—be sure to spend time on your budget on a regular basis.



Research Financial Institutions

Choosing where you bank is an important decision because financial institutions vary by the number of branches and ATMs accessible in your area, the fees charged for services, and products offered. Check out different types of institutions, including national banks, community banks, credit unions, and your college credit union (if available).

A college credit union may be a good option, as they generally offer the convenience of on-campus branches and ATMs, as well as credit cards and loans geared toward students. Also think about the features that are most important to you, such as free student checking and savings accounts; reimbursement of fees if you use an out-of-network ATM; online bill pay; and the ability to transfer funds from one institution to another. Be sure to read all of the disclosures provided when you open an account to ensure that what you're getting is accurate and consistent with the terms and fees disclosed. Also remember to incorporate account-related fees into your monthly budget.

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Be mindful when using your checking account

If you are opening a new checking account, you will likely have access to a debit card to make payments and purchases; online bill pay services; and apps that allow you to send money to another bank account.

These options are convenient but, with so many available to use, it is easy to lose track of your account balance. If you withdraw cash without enough funds to cover the transaction, it is considered an overdraft, and the bank may decline it and charge you fees. Most banks offer overdraft coverage programs, if you opt-in, and will process the transaction even when you don't have enough money to cover it. But you are still required to pay back the transaction cost along with additional charges for the coverage.

To avoid these issues, maintain an accurate record of all your transactions and keep track of your account balance in your checkbook register, budget app or software-based tool every time you make a deposit, write a check, use the ATM, use your debit card, pay a bill online, or transfer money.

Sign up for account alerts, if your bank offers it, which sends automatic text messages or emails to notify you of a low or negative balance. Also, carefully review your monthly account statements, and if you see an error, notify your bank immediately to correct the mistake.

Use credit wisely

As a college student, you will be inundated with credit card offers. For some, this may be the first step in building credit. While building credit is important, understanding how to manage it is equally important, since your credit report will be checked when you apply for a job or to rent an apartment.

If you decide to apply for a credit card, look for a card with a reasonable interest rate and no annual fee. Avoid using your card impulsively and charge only what you can pay off the following billing cycle. As long as you pay the card balance in full by the payment due date



each month, you won't be charged any interest or finance fees.

The Truth in Lending Act provides consumers with protections when dealing with lenders and imposes requirements on banks when offering credit, including special provisions for borrowers under the age of 21. For more information, visit <https://www.fdic.gov/consumers/assistance/protection/choose.html>.

Pay yourself first

Saving money in college may seem impossible when funds are already scarce, but consider opening a savings or money market deposit account to regularly set aside money and earn some interest. Treat savings like a bill and pay yourself first, even if it's not much. You will be surprised at how consistently saving a seemingly insignificant amount of money adds up over time. Setting savings goals that are easy and manageable creates a habit of saving that will continue well into the future.

Managing your finances while at college does not mean you have to miss out on having fun. Stick to your budget, explore your financial options, look for student deals that include discounts on text books, control your credit card usage, and save as much as you can no matter the amount. Learning and practicing the fundamentals of money management now can set you up for financial success in the future.

For more help or information, go to www.fdic.gov or call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342).

Top 10 Reasons to Join a Professional Organization

By Jacqueline McClellan
Graphic Designer, 4CDesignWorks

Whether you are interested in strengthening your network, furthering your career or maybe just in need of a few more friends, professional networking organizations can be a great option for you. In addition to providing information about your chosen field, professional organizations can enhance your personal and professional development and provide endless networking opportunities. Look around your community—there are bound to be a plethora of organizations (from small local start-ups to national chapters) for you to join. Here are the top 10 reasons for joining a professional networking organization:

1. **Broaden your knowledge:** Professional organizations sometimes offer courses, seminars and/or lectures to keep themselves and their members up to date on the latest industry innovations, research and trends. Staying informed on your industry's trends will not only help you in the long run but will put you one step ahead of the competition!
2. **Take charge of your career:** Take advantage of career resources. Associations often have job listings online or in print available only to their members. This is a great way to find targeted job postings for your area of interest.
3. **Build a better resume:** Many organizations have career resources available such as tips on effective resumes or cover letter writing. Listing your association membership on your resume is impressive to current or future employers as it shows that you are dedicated to staying connected in your profession.
4. **Enhance your network:** We all know that networking is key for the movers and shakers of the community! Making connections is critical, and joining associations gives countless opportunities to connect on a local and sometimes even global level. For most people, creating professional relationships is important, and joining a group allows you to have a sense of security and trust. From this, you are able to support and help one another in reaching your professional goals.
5. **Be a Leader:** Professional associations give you an opportunity to develop your skills as a leader, and this is important not only for your personal growth, but for your growth in your firm.
6. **Become a mentor:** Giving back can be the greatest reward and benefit. Participating in forums, chat groups or discussion boards sponsored by an association is also a great way to grow your network. This allows you to use your peers as sounding boards and often make some great friends with the same interests as you.
7. **Make a new friend:** Once we graduate from school, we all know how hard it is to get out and meet new people and make a new friend! Use professional networking groups as an opportunity to escape the norm and meet new people that may give you a reason to come out of your shell a bit more and have fun.
8. **Give back to the community:** There are plenty of organizations that coordinate socially conscious initiatives to support community efforts. Whether it is a nearby animal shelter or a food drive for a local



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charity, there are sure to be plenty of options for you to choose for if you are looking to give back.

9. **Strength in Numbers:** We live in a day and age where establishing a presence in any given career field often demands working long hours in the office and bringing work home when the doors close. At the end of the day, you may have ideas for cultivating partnerships, yet not feel up to shouldering all the responsibility to organize them. In a community organization, you have access to an established support system of experienced people who are motivated to get things done. The battle is half-won!

10. **Stay Inspired and Stay Motivated:** Learn to love what you do! You may not even know that you love something, but it's important to be proactive about things you discover on the journey. Join a professional organization and discover something new TODAY!

Experian's New Service Lets Parents Discover If Their Kid's ID Has Been Stolen

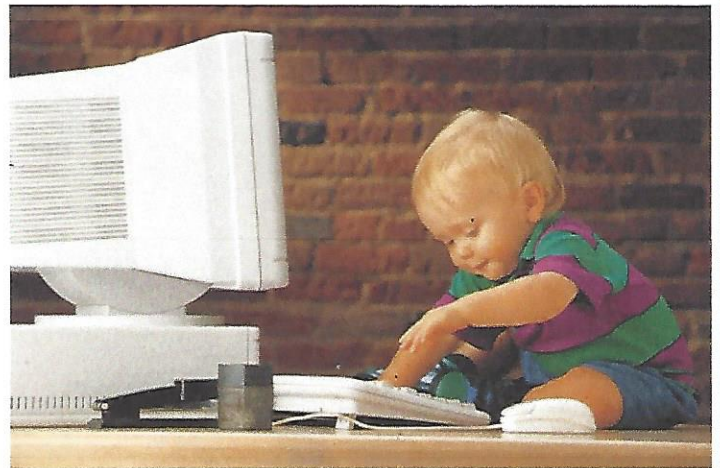
Experian has launched a new service allowing parents to find out if their young children are the victims of identity theft.

Child ID Scan is a free, one-time service that will check to see if the child's social security number is associated with an Experian credit file. If so, the company's fraud resolution team will work with parents on next steps to help protect the child.

Identity theft is increasingly becoming an issue for people under the age of 18. In 2017, more than one million kids were affected, resulting in \$2.6 billion in losses. A national survey by Experian of 738 people found that 59% had their credit report and score damaged by theft.

"A child's SSN is like gold to identity thieves and a clean slate for criminals to do damage over possibly a long period of time," said Michael Bruemmer, vice president of Consumer Protection at Experian in a statement.

"Our free service and educational content can be key resources, but we urge parents to be vigilant on an ongoing basis. If they aren't, the consequences for their children can be damaging and long-term."



Kids are establishing online footprints earlier and earlier, which helps identity thieves gain access to their information. Digitization of school and medical records assists as well.

Children's social security numbers are ripe targets for hackers, as they can create a credit card application using legitimate information and the child and parent won't often know about it until the child becomes of adult age and begins that life with terrible credit.