

in this issue >>>

District 5 Scholarship Winners

Student Corner: Auto Loans

Make a Difference Day

2014 International Conference



A publication of Credit Professionals International

August 2013



THE CREDIT CONNECTION

current topics >>>

Message from the President

Membership Report

U. S. Government News

Strategic Planning Meeting

New CPI President's Acceptance Speech

Sue Heusing, MCE

President - Credit Professionals International 2013-2014

“My personal goal this year is to keep CPI alive and growing by finding new ways to market what we do and make us more visible to the credit industry.”

Sue Heusing, MCE

Thank you for the confidence you have placed in me as President of Credit Professionals International. I've been a member of CPI for 45 years and, yes, what you are thinking is true. It did take me a long time to get to this office. But I haven't been twiddling my thumbs.



I have held more offices than I can count at local, state, district and International levels. Among my most recent appointed roles were International Conference Coordinator and Strategic Planning Committee Chairman. Jean Jervis, CCCE/MPCE, was the one who finally talked me into running for International office. She didn't settle for talk. And she didn't think arm twisting was enough. So that's why, today, I'm walking with a cane. "Jean, I'm only kidding."

Continued on page 2

The Credit Connection is a publication of Credit Professionals International, 10726 Manchester Road, Ste. 210, St. Louis MO 63122. Phone: 314/821-9393. Fax: 314/821-7171. Email: creditpro@creditprofessionals.org. Website: www.creditprofessionals.org

I am grateful to Jean for accepting my invitation to install all of us new International officers tonight and for taking on the role of International Conference Coordinator.

I also extend my thanks to Charlotte Maness, CCCE/MPCE, for her beautiful comments this evening. Charlotte and I share many years of friendship. Her husband Horace and I always had a good joke to share whenever we met. I remember one time, in particular, when Charlotte and Horace were spending some time in Chicago after a meeting we had in Oak Brook and I was showing them the sights downtown. When I mentioned Grant Park, Horace, who was from North Carolina, wanted to know where Lee's Park was located. We always had time for laughter.

I'm also grateful to the members of my local association and District 5. You have always been an important part of my membership

and you are very strong supporters of CPI. You always come up with great fundraising ideas and, most of the time, we raise as much fun as we do funds.

Friendship is a key benefit of CPI membership but there are also other important benefits. These include continuing education and career growth; opportunities to consult with others in your field; the development of leadership and management skills; and role models who can inspire you and, when you are having a rough day, lift you up.

It is for all of these reasons that I have made membership growth the goal for the 2013-2014 CPI year. My theme is "Stars Are Magic." The word "magic" stands for: **M**embership **A**ctively **G**rowing **I**n **C**PI.

The word "stars" stands for: **S**ituation, **T**ask, **A**ction, **R**esults, **S**uccess. But it also stands for each and every CPI member. You are the stars bursting forth from the magic wand. Whatever the situation on the job or with volunteer efforts, you determine the task that needs to be done, take action, get results and achieve success. I know I can always count on you.

My personal goal this year is to keep CPI alive and growing by finding new ways to market what we do and make us more visible to the credit industry. I'm confident that we can do this. Our First Vice President Rhonda McKinney, MPCE, has a membership campaign with great incentives underway. Read about it in the August issue of *The Credit Connection* newsletter. Cindy Westenhofer, our Second Vice President and Webmaster, is implementing new ways to increase our visibility on the internet. And Joyce Dove, CCCE/MPCE, of Atlanta, who has been a CPI member for 55 years, is on Facebook! If Joyce can do it, so can all of us.

Thank you all for the support you continue to give to me. And special thanks to the CPI San Antonio team for putting on a great conference. You're a hard act to follow but I know that the CPI Albuquerque team is already at work planning for next year. Now, **STARS**, it is time to go forward and make **MAGIC**.



It's Time to Make MAGIC

**Rhonda McKinney, MPCE
First Vice President
Membership Chairman**



Hey, everybody, it's time to make MAGIC!

With her theme, President Sue Heusing, MCE, has set the stage for **Membership Actively Growing In CPI**. Now it is time for each and every one of us to take action.

When the CPI Membership Committee met in San Antonio, we didn't give any thought to "pulling rabbits out of a hat." We realized that new members don't just appear out of nowhere. Instead, we focused our attention on the leading word of Sue's theme: **STARS—Situation, Task, Action, Results, Success**. The key word here is "Action." Potential new members are not going to write, call, e-mail, text or tweet us. We have to initiate the connection. As an incentive, we have created two membership recruitment contests—one for local associations and one for individual members.

We are asking each local association, on a quarterly basis, to host or attend events to share information about CPI and the Credit Education Resources Foundation, as well as to use new technology and/or social media in your recruitment efforts. For example, attend a business expo or networking event; create a YouTube ad; host a meet-and-greet at a local college; sponsor a karaoke contest at a neighborhood pub. Be creative!

We also urge you to promote your local association's involvement with the National Center for Missing and Exploited Children. You might, for example, use the banner

"Help a Child Become a Star" with your Walk-A-Thon fundraising efforts.

Each of us, as individuals, also has opportunities to recruit new members. We may have family members or neighbors who would benefit from student membership in CPI. In our communities, we often encounter potential members who work at banks or credit unions; in medical, dental or other health care offices; in the business offices of large and small firms; or in the insurance and financial investment industries.

With these people, extend an invitation on Linked In or Facebook, if you are comfortable with social media. Or send an e-mail, make a phone call or strike up a face-to-face conversation, if you're not. You are more likely to get results and achieve success if you take action within your comfort zone.

At the end of each quarter, local associations will submit a report to us on their recruitment projects. In return, the association will receive an entry into a drawing for a \$25 cash prize. The reports, along with any photos included, will be posted on the CPI website, so that we can share ideas and recognize success. The quarterly winners will also be highlighted.

Any local association submitting at least three recruitment reports for the year will be entered into a special drawing for a \$50 cash prize at the end of the year.

Continued on page 5

U.S. Government News

Small Banks Win Concession from CFPB

In late May 2013, the U.S. Consumer Financial Protection Bureau made changes to its Ability-to-Repay rule that expands the ability of small banks to make loans with “balloon” payments.

The rule, which goes into effect in January 2014, initially limited balloon loans to certain rural counties. After hearing arguments from community banks and small credit unions that this would hamper the availability of credit in small communities, the CFPB said it would, during a two-year period, allow small lenders to make loans with balloon payments.

The change applies only to lenders with less than \$2 billion in assets that make up to 500 primary mortgages per year and hold their loans in their portfolios. The two-year time frame gives CFPB time to study the situation further. The Ability-to-Pay rule is designed to assure that lenders offer mortgages that consumers can actually afford to pay back.

CFPB Issues New Rules on Mortgage Servicing

Mortgage servicers have until the end of 2013 to comply with new federal rules designed to help eliminate careless practices that contributed to the mortgage crisis of the last decade. These included poor record keeping and customer service, as well as “robo-signing” unread foreclosure documents.

The new guidelines require services to alert mortgage borrowers who miss two consecutive payments and spell out options that could help them avoid foreclosure. Servicers also must wait until a loan is delinquent more than 120 days before beginning foreclosure proceedings. If borrowers apply for adjustments to enable them to avoid foreclosure, the servicer



must evaluate them for all options allowed by the owner of the loan. An appeals process must be in place for borrowers whose applications are denied.

CFPB Focuses on Student Loan Market

In March, the Consumer Financial Protection Bureau proposed a rule that would give it the authority to supervise nonbank student loan servicers. This would be an extension of the oversight the CFPB has of student loan offerings from larger banks.

The CFPB says the vast majority of student loan servicing is conducted by non-bank servicers, who collect payments and send them to the loan holder. Servicers are often different than the lender and a borrower has no control or choice over which company services the loan.

The proposed rule calls for CFPB to cover the full cycle of private student loan debt—origination, servicing, debt collection and credit reporting. The CFPB oversight would apply to firms servicing \$1 million or more in loans. The CFPB estimates it would have authority to supervise the seven largest student loan services which, combined, hold nearly 49 million accounts.

State News

California

Governor Jerry Brown has signed the Fair Debt Buying Practices Law, which gives California consumers more protection from unfair debt-collection practices.

The law requires debt collectors to verify that an obligation is real before going after consumers. Federal law also has this requirement but some debt collectors ignore it. There have been a number of instances in California where a debt collector has told a consumer that it is the consumer's responsibility to prove that a debt isn't owed.

Massachusetts

The city of Lynn, MA, has passed a foreclosure law that addresses the need to keep foreclosed properties maintained and occupied while

awaiting a new owner. The process begins with a required pre-foreclosure mediation with homeowners to find a "commercially reasonable alternative" to foreclosure.

If the foreclosure cannot be avoided, the law requires the lender to put up a \$10,000 cash bond to the city. If the bank maintains the property, it gets that money back when the new owner takes over the property. If the bank is not maintaining the property, the city can use the cash to keep the home from becoming an eyesore.

Expanding on a state law which requires banks to let renters stay in a foreclosed home until it is sold, the city law also allows the foreclosed homeowners themselves to become renters at a reasonable market rate, if they can afford it.

continued from page 3—It's Time to Make MAGIC

Individual members have the opportunity to earn entries for a \$100 cash prize at the end of the year. There are two ways to earn entries:

- Any existing member who recruits a new member will receive an entry for each new member
- Any existing member recruiting five new members and qualifying for their 5R Pin, will receive **five** entries for **each** new member.

The contest begins July 1, 2013, and ends March 1, 2014. The end-of-the-year winners will be announced and recognized at the 2014 International Conference. Please submit your membership reports to me via email at Rhonda.mckinney@equifax.com or by mail:

Rhonda McKinney, MPCE
1525 Windward Concourse J42-S
Alpharetta GA 30005

Congratulations
To
Sue Heusing, MCE
As she begins her term
As
International President
From
Butch (Owen) and Judy Feldt

CPI District 5 Scholarship Winners

Give Their Views on Student Loans

Each year, CPI District 5 sponsors an essay writing contest for high school seniors in District 5. Winners receive a \$250.00 non-renewable scholarship to the school of their choice. It can be used at any two-year or four-year accredited college in the United States. This year's topic was student loans. Here are the two winning essays.

Student Loans—The Risk, Reward and Affect on Your Future

By Briana Nash, Davenport, IA

Attending a college is one of the most exciting times in a high school graduate's life. With all the newfound independence and responsibilities, it can also be overwhelming, especially when trying to pay many expenses associated with getting a college degree. Even after scholarships and savings, there may still be some financial obligations that may have to be met.

For students who find it necessary to apply for a loan in order to pay for college, many do not understand the risks involved. Since high school students typically have not established a credit history, they would need to have someone cosign to get a loan. They would most likely ask parents, a close relative or friend to cosign. The risk involved with this is the liability that would fall on the cosigner, if the student was unable to keep up with the payments. Other risks to consider when looking for reasonable loans would be the interest rates, term of the loan and the repayment conditions.

Assuming a student is fortunate enough to be approved for a loan, the reward is being able to attend college. Usually after graduation, a student has a set period of time to start repaying the loan. During this time a student may also be burdened with the task of finding employment. Depending on the state of the economy, it may be hard to find a job. If you are unable to find employment that will allow you to meet the required monthly payments, you may end up defaulting on your loan,

Scholarship Essay

by Lance Hiebner, Lincoln, NB

Paying for college is the largest problem college-bound students run into while considering college. There are many scholarships available to these students from various organizations but they may not cover all costs. There are also grants for college but often times they, although very convenient, are not all-inclusive either. Once a student realizes that paying for college will be difficult, they must look for ways to offset the costs. One option is work-study, which offers money as well as experience, but does not always amount to the cost of tuition, room & board, books, and standard of living. Together these three choices may engulf all your financial queries. However, if your financial query still remains, a student loan becomes your priority. Through my experiences, it seems as though a student loan is the largest amount of financial aid given through the span of a student's college career as well as the most common.

Before a student is to take out a student loan, they must first assess the risks. I believe the primary risk to consider before accepting a student loan is the return on the investment. A student loan is an investment in an education. There needs to be rewards in the investment in order for the loan to be worth it. The investment will always be worth it if there is a certainty in finding a job. The job will, of course, be higher paying because of the degree that is to be earned through the college of choice. The huge problem that is being weighted with this investment will come to be: Will I be able to find a job? Welcome to

Continued on page 7

Continued on page 7

Nash—continued from page 6

which is another risk associated with loans. If you default on a loan, it will negatively affect your credit history. Many employers take your credit history into consideration on whether or not to hire you. Having listed all the risks, I will now speak about the rewards of getting a loan for a college education.

The most obvious and important reward is being able to graduate college with a sense of accomplishment, pride and self-worth. If you are able to find a job in your field of study that pays well, you will have the satisfactions of repaying your loan in full. This would be the first step in establishing a strong credit history and a financially successful future.

In our present society where so many people default on student loans, being able to honor your promise to repay any debt is a reward in itself. Debt affects all areas of your life. By having a plan and taking the steps to eliminate it in a timely manner, you will establish yourself financially and lead a productive and successful life.

Hiebner—continued from page 6

America. This is why they say life is made of decisions. There is always the risk of dropping out. In this case, the loan will still exist. If a student does not find that as a problem, a student loan is an option they might entertain. I think an overlooked form of risk when considering a student loan is, if the investment fails, bankruptcy because it does not apply to student loans. They are not released as credit card debt as consumer loans are.

I believe there are more rewards than risks to student loans. While these loans provide the most risk factors out of all the financial aid options, they prove to be an investment that can be either good or bad based on the student's decision making and school performance. It is amazing that this is truly an investment in yourself. A student loan brings the opportunity to take your life on a path of your decision. I believe that is the most important thing when it comes to student loans. You control your future. I guess it could be said that student loans enable the American Dream.

2013 International Conference Education News

Personal Responsibility

By Gall Ottinger, CCCE/MPCE

Kevin Force, an independent financial advisor with San Antonio-based PAX Financial Group, shared an energetic message of personal and fiscal responsibility during an education session at the 2013 International Conference. He stated we first must decide what we want for ourselves before we can begin to help others.

Kevin stressed the importance of goal setting in all aspects of our life; Financial, Family, Social, Spiritual, Career, Physical, Recreational and Personal Growth, in order to achieve success.

He said we must be pro-active, putting our plan to paper.

Kevin challenged each of us to use the 72 hour rule. Take one item of change and implement it into your life within 72 hours in order to receive benefit from it.

(editor's note: This article was inadvertently omitted from the 2013 International Post-Conference Capsule.)

Practical Advice for Applying “The Character Triangle”

By Lorne Rubis

The Character Triangle is a personal guide and habit system for achieving success at work (and in life). It involves thinking and acting with intent, based on three values that are uniquely important on their own. These values become even more powerful when connected to become what I call “The Character Triangle.”

The three values are accountability, respect and abundance. The following are descriptions of each, with examples of very specific actions leaders can take to reinforce each value.



Accountability

Accountability starts with yourself. When we approach every situation we experience in life by first asking what we personally can do about it and how, we begin to understand the concept of self-accountability. The ideas associated with “blame” and “victim” have little, if any, place in the self-accountable framework. That is a tricky concept to fully accept and grasp for many of us.

To promote self-accountability: Begin your meeting with a colleague by describing an issue you want to address for improvement. Then start the dialogue by specifically and meaningfully defining what you personally could do to contribute to resolution. Propose specific ways of how you would go about doing so. Then ask your teammate to follow suit by having that person outline his or her personal recommendations. Discuss, amend and conclude by connecting each self-accountable approach into a plan of action.

Respect

None of us work or, for that matter, live in a vacuum, our successes or failures are all built on the strength of our relationships. And relationships run on respect.

To be true to the root of respect, one has to continuously look at oneself with openness and understanding. The point is to examine the way we treat *ourselves* first and then how we treat others. Most of us want to be listened to with understanding, treated with courtesy and recognized for our contributions. Do we do that with ourselves? Then how much do we do that with others in every interaction.

To promote respect: Learn how to use and apply one of the most practical and easy-to-use listening/problem-solving tools and methods: STP. It is based on defining the Situation, identifying Targets and developing Proposals for reaching those targets. I have had executives tell me years after they have started using STP that it remains their most useful tool. Go to my website, www.lornerubls.com, for a quick video tutorial and a PDF explaining how to use it. Or

Continued on page 9

check out the appendix in *The Character Triangle*. Using STP results in better listening, more effective dialogue and less negative conflict.

Abundance

Abundant people do not have to take anything away from anyone else to be successful. It is literally fun to work with people who are abundance-focused. They may be competitive but rather than merely to beat someone, the essence of their drive is to advance something.

In fact, abundant people relish others' success and achievements. They also focus on the resources available and finding what they need to get results. Generosity of spirit, and the belief that giving leads to getting, is part of their makeup.

To promote abundance: On 30 consecutive working days, write a personal "thank you" note to one person in the organization. Be very specific as to what behavior you want to say "Thank you" for. Describe what that person's action meant to others, the organization and you in your role. Be timely and spread that across all levels of the organization. Schedule

that commitment onto your calendar, so that you treat that thank-you activity as a very important meeting.

Apply these straightforward and practical actions and you will find the three values connecting and reinforcing each other. You will build your character, have a positive impact and inspire others. The Character Triangle evolves through action rather than words.

About the author:

Lorne Rubis is president and CEO of Ryzex, a global mobile technology solutions provider. As a general manager, facilitator and consultant, his career has focused on driving organizational change and performance improvement. Rubis has held executive leadership roles in startup, small, midsize and Fortune 500 companies, both domestic and international. As an entrepreneur, he co-founded and ran a successful business. Learn more at www.lornerubis.com.

©Copyright 2012 by Briefings Media Group LLC

Used with permission

CPI MEMBERS URGED TO ATTEND STRATEGIC PLANNING MEETING

All CPI members are invited to attend the annual Strategic Planning Meeting, Oct. 18-19, 2013, at the Drury Inn-St. Louis Airport.

"Unlike some organizations, CPI doesn't restrict its strategic planning meeting to just the top brass," says Barbara Chapin, CCCE/MPCE, Strategic Planning Committee chairman.

Members unable to attend can send their ideas, suggestions and comments to Barb at chapin@modempool.com or 3121 Daggitt Drive, Spring Arbor MI 49283.

The Drury Inn St. Louis provides guests with a free hot buffet breakfast every morning and a 90-minute "kickback" event with free hot food and beverages each evening. In addition, CPI members go out to dinner at a local restaurant

on Friday night. This year, the dinner will be at The Mother-In-Law House, a unique restaurant in the historic district of St. Charles, MO. It is a short drive from the hotel and there are plenty of cars to provide free transportation.

"We've negotiated a room rate of \$94.95, which is good through Sept. 17. So book early. You can have up to four people in a room for the same rate. The rooms are equipped with free wireless Internet access. There is also one hour of free long distance for each room. And the hotel has a free airport shuttle," Barb noted.

To make hotel reservations, call 1-800-325-0720. The group number is 2171723. Or reserve online at www.druryhotels.com. Deadline for the \$94.95 rate is Sept. 17, 2013.

Student Member Corner

Auto Loans: How to Get a Good Deal

Many young people look forward to getting their own car but overlook what they may need to do to comfortably afford it, especially if they'll be borrowing money. Here are strategies to consider well before you go to the dealership.

Start saving early. “The more money you put down, the less you have to borrow—and that means the less money you'll pay in interest on a loan, if you need to borrow at all,” said Phyllis Pratt, an FDIC Community Affairs Specialist.

Decide how much you can afford to spend each month on a car.

In addition to car payments, consider how much you'll need for insurance, taxes, registration fees, routine maintenance and unexpected repairs. Online calculators can help you figure out what you can afford.

Remember that there are alternatives to buying a car. Lease payments may sometimes appear lower than loan payments, but at the end of the lease you will not own the car and you may have to pay more money for excess mileage or body repairs. If you need a car only once in a while, consider using a service that rents cars for periods as short as an hour.

Shop for a loan at your bank as well as several other lenders. Compare the offers based on the Annual Percentage Rate (APR) you're quoted by each lender. The APR reflects the total cost of the loan, including interest and certain fees, as a yearly rate. Then consider getting “pre-qualified” by the lender offering the best deal. That's not the same as a loan approval, but it will expedite the process once you find a car you like.

Before you start shopping for a loan, review your credit report to correct wrong information, which can help you qualify for a lower interest rate.



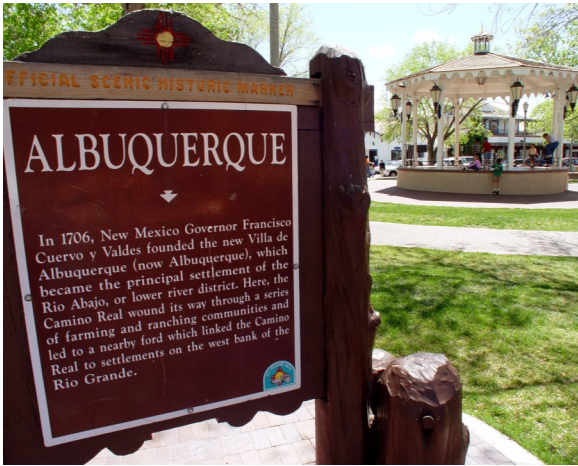
(You can obtain a free credit report annually from the three major credit reporting firms at www.annualcreditreport.com. This is the only website where such reports are free.)

In addition, a dealer's special financing (such as zero-percent interest) may not be the best value if it means foregoing an extra discount on the car. In that situation, you may come out ahead if you borrow from a financial institution, even at a higher interest rate, and save on the purchase price. Also, don't purchase a more expensive car than you feel you can comfortably afford, even if you qualify for a larger loan.

Whether you are buying or leasing, negotiate with the dealer based on the total cost of the car, not the monthly payment. Why? “By extending the length of the loan, a dealer can offer a more expensive vehicle with the same monthly loan payment you were quoted for a less expensive car, but you will pay more in interest costs,” said Luke W. Reynolds, Acting Associate Director of the FDIC's Division of Depositor and Consumer Protection.

(source: Federal Deposit Insurance Corporation)

2014 CPI International Conference Takes Shape



The members of Las Madrugadoras CPI have plans well underway to host the CPI International Conference in Albuquerque, NM, June 12-14, 2014.

CPI members from across the country will gather at the *Hotel Albuquerque at Old Town* to conduct association business, attend education sessions, celebrate with award winners, install new International officers, renew old friendships and make new friends. Three education speakers are already booked.

When not engaged in conference activities, CPI members can head to Albuquerque's Old Town, which is within walking distance of the hotel. Old Town has been the heart of the city since it was founded in 1706 by Spanish explorers. Today, it is a cultural center, with five museums and more than 100 shops, galleries and restaurants. By popular request, the Thursday tour will be a visit to Santa Fe.

CPI members can register for the conference online, via the CPI website. The Early registration fee, offered through May 5, is \$299.00. After that, it increases to \$349.00. Hotel room reservation information is also on the CPI website. The room rate is \$102.00 and the deadline is May 22. Members who do not have internet access can obtain registration information from the CPI Corporate Office.

Direct any questions to conference co-chairs Marylyn Tack (metack@msn.com) or Betty Thorman (thormanbetty@yahoo.com).

In Memory Of...

Living Memorials:

In Memory of:

Mary Lou Addy, CCCE/MPCE
Past Int'l. President
(2000-2001)

Given by:

Nona Ellzey, MPCE
and
Yakima Valley CPI

Bookmark This!

New Financial Education Program for Older Adults

In June 2013, the Federal Deposit Insurance Corporation (FDIC) and the Consumer Financial Protection Bureau (CFPB) launched a new financial resource tool, *Money Smart for Older Adults*, to help older adults and their caregivers prevent elder financial exploitation across the country.

CPI members can obtain and present this program to older adults in their communities through a variety of venues, such as older adult clubs sponsored through religious institutions; community senior centers; community colleges; retirement-living complexes; and local libraries.

The newest addition to the FDIC's Money Smart financial curriculum family, this stand-alone training module developed by both agencies provides information to raise awareness among older adults (age 62 and older) and their caregivers on how to prevent, identify and respond to elder financial exploitation, plan for a secure financial future, and make informed financial

decisions. The Instructor-led module offers practical information that can be implemented immediately.

Money Smart for Older Adults is designed to be delivered to older adults and their caregivers by a representative of financial institutions, adult protective service agencies, senior advocacy organizations, law enforcement, and others—such as members of Credit Professionals International—who serve this population.

The module consists of a scripted instructor guide, participant/resource guide, and power point slides, all of which are available in a downloadable format and free of charge on the FDIC website at <http://www.fdic.gov/consumers/moneysmart/OlderAdult.html>. For hard copies of the participant/resource guide, please visit the CFPB website at <http://promotions.usa.gov/cfpbps.html>



October 26, 2013

Start planning your local association's project for national Make a Difference Day, October 26, 2013, now.

Involve your student members or invite potential student members to help with your project.

You probably already have a project in mind to do but, if you need ideas, go to <http://makeadifferenceday.com>. This site offers many ideas and tools for success. You can:

- ◆ Download the toolkits.
- ◆ Recruit volunteers.

- ◆ Use the web banners, media advisories and social media tips in the toolkit to promote your project.
- ◆ Join forces with projects in your area.

Don't forget to assign someone to take photos of your Make a Difference team in action and to write a report on your actions and accomplishments. Send both to the CPI Corporate Office and to Cindy Westenhofer, MPCE, our CPI webmaster (cwestenhofer@iquest.net). If you use the U.S. Postal Service, Charlotte Rancilio in the corporate office will scan your reports and photos and forward them to Cindy.