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A publication of Credit Professionals International

November 2018

THE CREDIT CONNECTION

current topics >>>

Message from the President

Marylyn Tack,

President - Credit Professionals International 2018-2019

Well, I can't believe it is already November. The time is slipping away fast and we have so much to accomplish. We are always looking for articles for the newsletter and the magazine. Remember, this is your newsletter and magazine. So we want to publish items that you are interested in hearing about. Please let us know if you have a topic of interest you would like to see in the publications. If you have had a speaker that sparked your interest or you felt was entertaining please ask them to write an article so we can share with everyone.

We met in St. Louis for Strategic Planning on October 12 and 13. The meeting was very successful. We heard about the Banzai program and our results from those associations who are currently sponsoring a school. We all agreed that we

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Marylyn Tack

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need to have more feedback from the teachers, students and administrators to fully understand the impact we are having within our communities prior to extending our commitment beyond our current contract.

The membership is still falling off and it is up to each of us to refocus our efforts to retaining and increasing our membership. Connie Hamilton will be reaching out to all of us for our support and commitment to increasing membership. Without this, we will not be successful.

It was decided during the executive meeting to move all of our funds to St. Louis so they would be all in one place.

Remember to get your money and tickets for the latest raffle for the Brahmin Melbourne Collection purse and wallet and Amazon gift cards into Marylyn Tack no later than November 28, 2018. I still have tickets if you need more just let me know. The drawing will be held on December 10, 2018. The next raffle will be a 50/50 raffle for cash.

The annual magazine will be out in December 2018.

I would like to thank all of those members who attended the Strategic Planning meeting for taking time from their busy schedules to make sure we had input from as many members as possible. I know it was not easy for everyone to get to St. Louis.

If you were unable to attend, please plan on coming to the International Conference in Albuquerque, New Mexico, June 27-29, 2019. Registration forms are available on the website. Early Bird Registration of $275 ends December 31, 2018.

May your upcoming holidays be filled with family and friends and love.

Best Regards
Marylyn Tack
International President

Wishing you the

Joy of Family

Gift of Friends

And

The Best of Everything in 2019

Marylyn Tack, President
Connie Hamilton, Vice President
Charles Gordon, Secretary/Treasurer

Where Do We Go From Here?

Connie Hamilton
Vice President
Membership Chairman

Where do we go from here? UP, I HOPE.

Membership is THE NUMBER ONE ASSET of Credit Professionals. It is not the dollars in the bank! If we don't have the people in the organization who bring in those dollars, then there is no organization. Period. End of story!

We spend a lot of time figuring out how or where to spend our money—yet, if we don't have the people to bring in that money, we won't have to worry about that!

We need to bring our focus to retaining our members and growing our members and all the rest will take care of itself—for the most part anyway.

We have not been very fiscally responsible when it comes to retention and growth. Maybe if we look at membership from a dollars and cents perspective, as CREDIT PROFESSIONALS, then maybe we can get a handle on it. There have been many who have come before me, much, much wiser, I am sure, and we still have not solved this dilemma! And, gosh darn it, I can't find my Magic Wand.

One thing I would like to try, though, is an all out campaign blitz, say maybe in March 2019, hitting everything and everywhere we can for membership.

Where: anywhere that you can think of—Facebook or any social media; public broadcasting, community billboards, newspapers. Yes, we are going to have to do some research here!

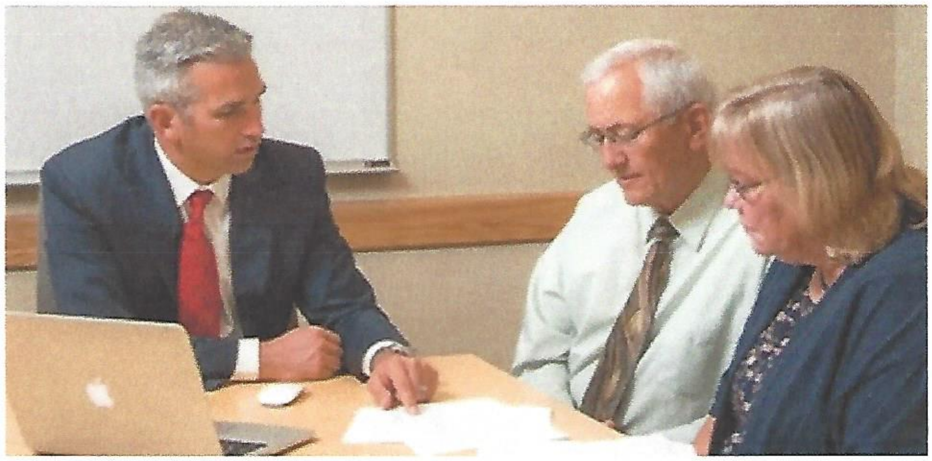
Put your thinking caps on and come up with some good ideas AND how to implement them. And then e-mail them to me:
albconnie@aol.com

I will compile all of them and have Cindy Westenhofer, MPCE, send out an e-blast to everyone with EVERY idea—there can be no bad ones!

All of us then need to implement as many of these ideas as we can starting March 1, 2019, through March 31, 2019. The deadline to submit ideas well be February 22, 2019. Let's get busy!

Nineteen Questions to Ask When Hiring a Financial Advisor

Source: Age Brilliantly



It is interesting that most stockbrokers, financial planners, and insurance agents and their clients have a principal-agent problem.

A principal-agent problem is a situation where the objectives of the employer (client) and the employee (advisor) simply don't align. That is, the advisor doesn't necessarily act to promote the well-being of his or her client. If a stockbroker is getting paid for each trade he puts in, he will get paid regardless of whether or not your investment performs well.

To address such situations, it is critical to choose your advisor wisely. At this point you might be wondering: "How do I know which adviser is right for me?"

Here's how. Ask your advisor the following questions (and expect the following answers).

1. Are you always a fiduciary, and will you state that in writing? (Yes.)
2. Does anybody else ever pay you to advise me and, if so, do you earn more to recommend certain products or services? (No.)
3. Do you participate in any sales contests or award programs creating incentives to favor particular vendors? (No.)
4. Will you itemize all your fees and expenses in writing? (Yes.)
5. Are your fees negotiable? (Yes.)
6. Will you consider charging by the hour or retainer instead of an annual fee based on my assets? (Yes.)
7. Can you tell me about your conflicts of interest, orally and in writing? (Yes. No adviser should deny having any conflicts.)
   - Do you earn fees as adviser to a private fund or other investments that you may recommend to clients? (No.)
   - Do you pay referral fees to generate new clients? (No.)
   - Do you focus solely on investment management, or do you also advise on taxes, estates and retirement, budgeting and debt management, and insurance? (Here the best answer depends on your needs as a client.)
   - Do you earn fees for referring clients to specialists like estate attorneys or insurance agents? (No.)
   - What is your investment philosophy?
   - Do you believe in technical analysis or market timing? (No.)
   - Do you believe you can beat the market? (No.)
   - How often do you trade? (As little as possible)
   - How do you report investment performance? (After all expenses, compared

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This Is Why You Should Be Using Your Credit Card For Christmas Shopping

By Kelly Emmerton

We all know that cashing in your rewards point stash is a great way to keep Christmas costs down. But did you know there are actually a few really good reasons why you should try to use your credit card for your holiday spending as well? Here's why you'd be smart to use plastic at the checkout.

Credit Card Perks—If your card comes with extended warranty on purchases (which is generally another 12 months on top of the usual warranty) use it to buy big ticket electronics. Purchase protection is also super handy if an item you've bought is lost, stolen or damaged after you buy it. Just keep in mind the fine print—for example, this may only cover purchases made in the last 90 days.

Credit Card Sign Up Bonus Points—One of the best ways to jump-start your rewards points stash is to score a bonus points offer. The catch is that these offers usually come with a minimum spend requirement that can sometimes be tricky to meet if you're not a big spender. That's why the Christmas shop—often one of the biggest splurges of the year—is the perfect time to sign up for a new credit card, knock out that minimum spend and collect your stack of bonus points.

Complimentary Travel Insurance and Other Travel Perks—Lots of premium cards come with complimentary travel insurance these days—just remember to check what the requirements are for activating cover. Sometimes you need to buy your flights or a certain amount of prepaid travel expenses on your credit card. High end credit cards also often offer perks like free flights, rental care insurance and airport lounge passes, so be sure to check what your plastic is packing to make your trip just a little more festive.

Don't get caught paying interest. While you're out there flashing your plastic at the checkout, heaping up rewards points and reaping other benefits that come with a credit card, don't forget to keep an eye on your spending and make sure you're not overdoing it. Only spend as much as you know you can pay off within the interest free days on your card and don't let your Christmas spending balance linger into the new year.

Start with the right card for you. One of the key rules for getting the most value out of your credit card spending is using the right type of plastic. If you're opting for a rewards card, check out Rewards Revealer to find a good match for you. After all, if you never travel, what's the use in a Frequent Flyer card? If you do tend to carry a balance from month to month, then a low rate card might be a better option and, don't worry, many still come with perks like purchase protection and extended warranty.

So what are you waiting for? There are just 54 days left until Christmas, so if you need a new piece of plastic in order to cash in on all these perks, head over to find your perfect credit card match today.

U.S. Government News

New Federal Law Creates Free Tool to Enable Consumers to Protect Their Credit from Identity Theft

One of the most effective tools available to U.S. consumers for protecting their credit from identity thieves is now free, thanks to a federal law that took effect on September 21, 2018.

Under the new Economic Growth, Regulatory Relief, and Consumer Protection Act, consumers can now freeze and unfreeze their credit at the three major credit bureaus without being charged. Prior to the law taking effect, it cost consumers in almost half the states $3 to $12 per bureau to freeze or unfreeze their credit reports.

Officials noted that a credit freeze, also known as a security freeze, restricts access to a consumer's credit file, making it harder for identity thieves to open new accounts in the consumer's name. The new law also allows parents to freeze, for free, the credit of their children who are under 16. Guardians, conservators and those with a valid power of attorney can also get a free freeze for their dependents.

In addition, the FTC said the new law extends the duration of a fraud alert on a consumer's credit report from 90 days to one year. A fraud alert requires businesses that check a consumer's credit to get the consumer's approval before opening a new account.

As part of its work to implement the new law, the Federal Trade Commission has updated its IdentityTheft.gov website with credit bureau contact information in an attempt to make it easier for consumers to take advantage of the new provisions outlined in the law.

According to the U.S. Consumer Financial Protection Bureau (CFPB), the federal law requiring free security freezes "does not apply to someone who requests your credit report for employment, tenant-screening, or insurance purposes." Other credit report companies, for example employment or tenant screening companies, might charge a fee to place and lift a security freeze based on your state laws, the CFPB states.

As part of its work to implement the new law, the Federal Trade Commission has updated its IdentityTheft.gov website with credit bureau contact information in an attempt to make it easier for consumers to take advantage of the new provision outline in the law.

To place a credit freeze on their accounts, consumers will need to contact all three nationwide credit bureaus:

Equifax, 800-685-1111;
Experian, 888-397-3742;
TransUnion, 800-680-7289.

Whether consumers ask for a freeze online or by phone, the credit bureau must put the freeze in place within one business day.

When consumers request to lift the freeze by phone or online, the credit bureaus must take that action within one hour. If consumers make these requests by mail, the agency must place or lift the freeze within three business days.

To place a fraud alert, a consumer need only contact one of the three credit bureaus, which will notify the other two bureaus.

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Security Freeze Notice and Timing

- A nationwide credit reporting company must place a security freeze within one business day of your request if made by telephone or secure electronic means. If the request is made by mail, the security freeze must be place no later than three business days after receiving the request.
- A nationwide credit reporting company must send you a written confirmation of the security freeze no longer than five business days after the security freeze is placed. They must also tell you how to remove the security freeze.

Temporary Lift of Security Freeze

Upon your request, the security freeze can be removed free of charge. It will be removed no later than

- One hour after receiving the request by toll-free telephone or secure electronic means;
- Three business days after receiving the request by mail.
- You also have the option to life the freeze temporarily for a period of time specified by you, free of change. The same time periods above apply to temporary removal of your security freeze.

State News

Maryland Gets Tough About Consumer Protection

In May, the Maryland General Assembly passed the "Financial Consumer Protection Act of 2018 (MD Act), which will bring sweeping changes to the state's enforcement of its consumer finance laws. Here is what is in the new law.

Stronger State-Level Enforcement:
The MD Act adds the term "abusive" to Maryland's laws prohibiting "unfair or deceptive trade practices." This brings it in line with the Consumer Financial Protection Bureau's (CFPB) authority over "unfair, deceptive and abusive acts or practices." It also encourages Maryland's financial regulators to bring actions under Dodd-Frank's federal UDAAP statute. The new law also redefines violations of the federal Military Lending Act and the Service members Civil Relief Act as violations of the state's UADTP statute. The law also subjects unlicensed entities to the same compliance and consumer protection provisions as licensed entities.

This change provides a foundation for state regulators to pursue unlicensed companies that have previously attempted to evade state laws.

The MD Act also dramatically increases the penalties for violations of the state's consumer finance laws. Violations can now result in a $10,000 fine per violation, which is a ten-fold increase from the previous limit. Repeat offenders can be charged $25,000 per violation.

Maryland is joining a growing list of states that are seeking to create "mini-CFPBs"—state agencies that will aggressively enforce consumer laws. The very name of the new Maryland law is the "Financial Consumer Protection Act". It is identical to the name of Title X of Dodd-Frank that created the CFPB."

Americans are Losing Money While Trying to Save Money

Source: Money Talk News/Debt.com

Americans are struggling with record levels of credit card debt—currently more than $1 trillion. Interest rates on that debt hovers around 16 percent.

One popular solution is a "zero-percent balance transfer." This is where a person transfers high-interest credit card balances to a new credit card—which charges no interest. These deals aren't working for more than a third of Americans according to the findings of a new credit card survey commissioned jointly by Debt.com and Money Talks News.

They partnered up to conduct a nationwide survey of over 4,500 U.S. adults to ask about their perspectives on credit cards and credit card debt. While many Americans have more cards than most experts would recommend, that doesn't mean that they're actively using all those cards. In reality, only a few cards are actively used, even when a person has a wallet full of plastic.

The reason is that the zero-interest offers expire after a predetermined time. That can be as many as 21 months or as few as six. While 68 percent of respondents paid off their balances before the zero-percent offer expired, 32 percent did not.

"That's doubly tragic," says Stacy Johnson of Money Talks News. "While they missed an opportunity to pay off their debts, they're also stuck with a new credit card that likely charges a *higher* interest rate once the special offer expires."

"Credit card companies are in business to make money. They know a certain percentage of people won't pay off the balance before the zero-percent introductory rates ends. I was just saddened it was such a *big* percentage," says Debt.com chairman Howard Dvorkin, CPA.

Free credit reports?
What free credit reports?

Another depressing result for Dvorkin: While 85 percent of respondents know they can receive free credit reports yearly, nearly a quarter (24 percent) haven't checked in 2-5 years, while 5 percent have *never* checked.

The Federal Trade Commission has said one in five consumers have found a "confirmed material error" on at least one of the three major credit reports. Yet 57 percent of those surveyed think their credit reports are completely accurate. "Depending on what it is, a single mistake can mean higher interest rates for mortgages, auto loans, or credit cards," Stacy Johnson says. "Consumers can also order one from each credit bureau every four months, and they'll get a hyper-accurate picture of their credit profile."

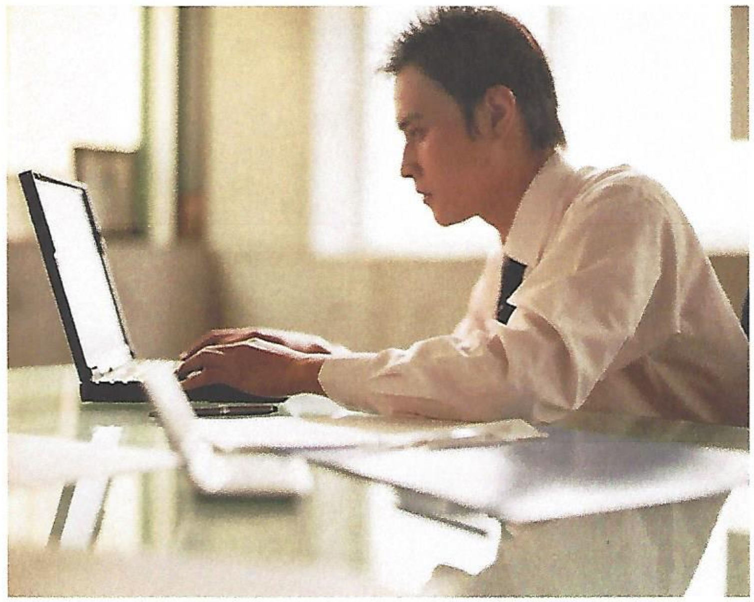
Dvorkin concludes, "This survey shows that one of the most costly mistakes you can make is simply doing nothing." To read all of the results from this survey and others, visit Debt.com's Financial Research Section.

Debt.com is the consumer website where people can find help with credit card debt, student loan debt, tax debt, credit repair, bankruptcy, and more. Debt.com works with vetted and certified providers that give the best advice and solutions for consumers 'when life happens'.

Money Talks News is a print and video advice and news outlet. Their goal is to help consumers reach their goals by telling stories that matter and offer specific advice on saving more, spending less, investing, and avoiding debt.

How to Choose the Best Student Debt Repayment Plan

By Federal Deposit Insurance Corporation



Paying off your student loans efficiently is more important than ever before.

According to most recent figures from the Federal Reserve, 44.5 million Americans collectively hold nearly $1.5 trillion in student debt. Even though college graduates have a huge advantage in the current labor market, borrowers across the country are struggling to pay off their loans.

The Department of Education estimates that just over 10 percent of student loan borrowers are in default, and researchers at the Center for American Progress estimate that as many as 30 percent of student loan borrowers can't keep up with debt just six years after graduation.

Americans have three main options for paying off student debt. **CNBC Make It** spoke with Charlie Javice, founder & CEO of online FAFSA platform **Frank**, to break down the costs and benefits of each option.

1. Regular monthly payments

The default option for most borrowers is to make fixed and regular monthly payments.

"You're responsible for a minimum monthly payment," says Javice, "and you need to pay it. Whether you're trying to have a job or you're not in a job—you're responsible for that payment no matter what."

If you are just out of college and still job hunting or if you're in an industry where work can fluctuate, this option may not be the right one for you. But if you have a steady income, feel confident making a regular payment each month and prefer the stability of a regular payment, then this option may work.
One important factor that borrowers should take into consideration if they do select this option is interest. Even if you are making the regularly minimum monthly payments on your student loans, your debt will accrue interest. For that reason, it's best to contribute as much as possible. Javice strongly suggests paying "the total balance, every single month."

2. Income-based repayment

The Income-Based Repayment (IBR) program, sponsored by the federal government, allows federal student loan borrowers to pay a percentage of their monthly income, as opposed to a set monthly amount.

"You're not responsible for paying it back if you have below $50,000 in salary, and you're also not responsible if you have no salary at all," explains Javice. "Definitely something to consider."

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This is a huge perk for people with flexible working arrangements, like freelancers or entrepreneurs who may be able to make a significant contribution to their student loans one month but not the next. This can also be a good option for people who are job hunting, people who make less than $50,000 a year or workers in industries like entertainment, where short-term employment is common.

One thing to keep in mind is that even if you are using an IBR, interest will still accrue on your students loans. To avoid compounding interest, borrowers may want to pay more than the minimum graduated payment each month.

The federal government also offers three other income-driven repayment (IDR) options, including the Revised Pay As You Earn Repayment Plan (REPAYE Plan), the Pay As You Earn Repayment Plan (PAYE Plan) and the Income-Contingent Repayment Plan (ICR Plan).

3. Refinancing

The final option that student loan borrowers have is to refinance their student loans with a private loan provider. This may help some borrowers achieve a lower monthly interest rate.

Refinancing may be a good options for parents who have taken on federal Direct PLUS Loans (these loans are not eligible for income-driven repayment options) or for people who have taken on private loans to finance their education.

The benefits of refinancing your student loans depend on how good your credit score is and how easily you can make student loan payments. The drawbacks of refinancing federal student loans into private student loans is that you forgo consumer protections, flexibility and income-based repayment options associated with federal student loans.

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Hiring A Financial Advisor

How do you report investment performance? (After all expenses, compared to an average of highly similar assets that includes dividends or interest income, over the short and long term.)
- Which professional credentials do you have, and what are their requirements? (Among the best are CFA [Chartered Financial Analyst], CPA [Certified Public Accountant] and CFP, which all require rigorous study, continuing education and adherence to high ethical standards. Many other financial certifications are marketing tools masquerading as fancy diplomas on an adviser's wall.)
- After inflation, taxes and fees, what is a reasonable estimated return on my portfolio over the long term? (If I told you anything over 3% to 4% annually, I'd be either naive or deceptive.)
- Who manages your money? (I do, and invest in the same assets I recommend to clients.)

52 Percent of American Parents Let Their Children Borrow Their Credit Card for Online Purchases

Source: PR Newswire

CompareCards by LendingTree conducted a survey, asking American parents how they handle their children's use of credit cards, from what they consider to be the perfect age for gettinga first card to whether their kids have ever used their cards to buy something without their knowledge.

"The survey found that Americans have been burned by the volatile mixture of kids and credit cards," said Matt Schulz, Chief Industry Analyst at CompareCards. "While most Americans feel that you should wait until you're in your 20s to get your first credit card, they also think that it's OK to let your child use your credit or debit card to make online purchases, even though it often doesn't go well."

Key Findings

- 52 percent of Americans with kids under 18 have let their kids borrow their credit or debit card for online purchases.
- 48 percent of those parents have regretted loaning their card to their kid, and men are far more likely than women to say so.
- 29 percent of Americans with kids under 18 said that their child had used their card without their permission, and men are the most likely to say they've been burned.

The perfect age to get your first credit card: 21 years old, according to survey respondents.

52 percent of Americans with kids under 18 have let their kids borrow their credit or debit card for online purchases.

More than half of Americans have let their kids use their credit or debit card to make online purchases, and men are far more likely to have done so. Two-thirds of men (66 percent) say they've done so, compared with just 43 percent of women.

"It's never been easier for kids to buy," said Schulz. "As online retailers keep simplifying the buying process and innovations such as in-app purchases become more widespread, that trend is only going to continue, and it's clear that millions of American parents have embraced it."

48 percent of those parents have regretted loaning their card to their kid, and fathers are far more likely than mothers to say so.

Men are nearly three times more likely than women to have regretted lending their credit card to their child. More than 4 out of 10 men (44 percent) said they've regretted doing so; meanwhile, just 15 percent of women said the same.

29 percent of Americans with kids under 18 said that their child had used their card without their permission, and men are the most likely to say they've been burned.

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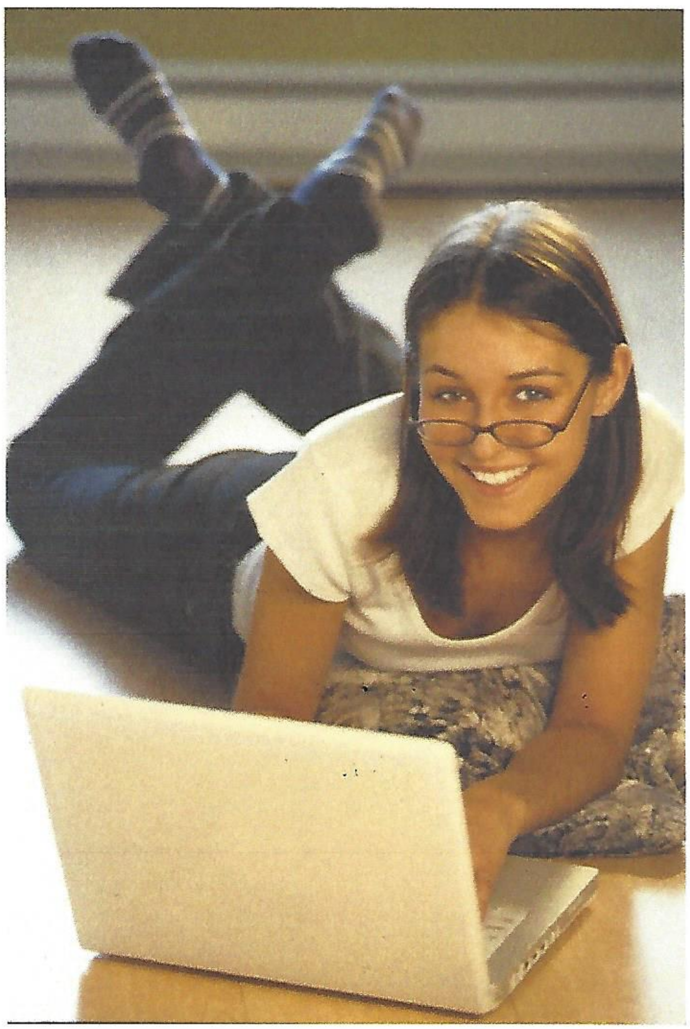
The survey found that parents who knowingly lend their card to their kids aren't the only ones getting burned. Nearly 3 in 10 Americans with kids under 18 (29 percent) said their child had used their credit or debit card without their permission to buy something online.

The perfect age to get your first credit card: 21 years old.

When should someone get his or her first credit card? The median answer was 21 years old. That was also the most commonly given answer, though nearly 10 percent of respondents say they believe people should never get a credit card.

At what age did Americans actually get their first credit card? Again, the median answer is 21 years old. The most common answer, however, was 18 years old, given by 22 percent of respondents.



Other Highlights:

Seven in ten Americans said their parents were good financial role models, but younger Americans were most likely to disagree. Sixty-nine percent of parents with kids under 18 said that at least one of their minors had at least one financial account. Savings accounts were the most common choice.

"As any parent knows, there's rarely a one-size-fits-all answer when it comes to kids," said Schulz. "The decision to lend ultimately comes down to knowing your kid well and communicating your expectations clearly. It's incredibly important that our sons and daughters know what is expected of them and what the consequences will be if they drop the ball. And it is far better to have those discussions in advance than it is to wait until after disaster strikes."

About LendingTree
LendingTree (NASDAQ: TREE) is the nation's leading online marketplace that connects consumers with the choices they need to be confident in their financial decisions. Services include mortgage loans, mortgage refinances, auto loans, personal loans, business loans, student refinances, credit cards and more. For more information, go to www.lendingtree.com, dial 800-555-TREE, like our Facebook page and/ or follow us on Twitter @LendingTree.

About CompareCards:
CompareCards' mission is to help people make smarter, more informed, healthier financial decisions based on deeper knowledge of financial offers. Each month, over 2.9 million visitors come to CompareCards' website to independently compare credit cards side-by-side and choose a credit card based on interest rate, reward benefit, cost savings, and other factors that are important to each person.

CompareCards provides easy-to-use, objective tools and educational resources that help people do everything from making credit card comparisons to managing their credit health. For more information, please visit www.comparecards.com.