

WHAT IS CPI?

The association now known as Credit Professionals International (CPI) was established in 1937 for individuals working in the credit industry. CPI's focus is on strengthening the credit industry and the individual through education and interaction. Our mission is to support our members by providing opportunities for networking, career development, and community involvement.

Membership benefits include this educational manual with articles written by outstanding members of the credit industry; a website—www.creditprofessionals.org—that has a special members-only section loaded with helpful information; local monthly meetings with educational speakers, programs and networking opportunities; and the opportunity to attend state, district and international seminars and conferences.

Members also receive *The Credit Professional*—an annual 40-page magazine filled with articles relevant to those working in the credit industry; *The Credit Connection* quarterly newsletter containing legislative news, helpful articles, program ideas and membership news; the Pre-Conference and Post-Conference Capsules; and the online CPI Membership Directory.

Credit Professionals International also offers a four-level certification program, which provides a vehicle for members to receive recognition for participation in continuing professional development through courses in the workplace, attendance and participation in seminars, conferences, college courses and activities at all levels of the association.

Visit our website at www.creditprofessionals.org

Credit Professionals International

*2011-2012
Education Manual*

TABLE OF CONTENTS

Introductions <i>by President Diane Radcliff, PCE</i>	3-4
<i>by First Vice President Pat Evans, PCE</i>	5-6
The Psychology of Money <i>by Denise Surratt, CCCS</i>	7-15
Five Ways To Solve Problems at Work <i>by Susan Fletcher, Ph.D.</i>	16-20
“When Treating People the Same...” <i>by Susan Fletcher, Ph.D.</i>	21-22
The S.A.F.E. Act <i>by Pat Evans, PCE</i>	23-30
Keep Your Heart Healthy <i>by Melissa Weber</i>	31-39
Mortgage Appraisal Fraud—Cause and Prevention <i>by Michael Moran, MPCE</i>	41-51
Are You a Victim? <i>by Colleen Collette</i>	52-59
Now You’re on the Audit Committee—What Have You Gotten Yourself Into <i>by Linda Simbeck, MPCE/CFE/BSACS.</i>	61-67
Accent the “Fun” in Fundraising <i>by Nona Ellzey, MPCE</i>	68-73
CPI Membership Campaign	75
What Is CPI	76



**KEEP
YOUR SPIRIT
ALIVE
WITH CPI**

MEMBERSHIP CHALLENGE 2011-2012

WILL YOUR DISTRICT

Retain 100% of it’s members

or, better yet,

Grow it’s membership

Victory will go to the District with the highest percentage of retention and the highest percentage of new members.

Membership Chairman Pat Evans will declare the winners at the 2012 CPI International Conference.

IT’S A WIN WIN CHALLENGE FOR CPI

PROFESSIONAL CREDIT CERTIFICATION



Take advantage of the CPI certification program and gain recognition for your efforts in pursuing professional development through continuing education and leadership activities.

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St. Louis MO 63122

Phone: 314/821/9393; Fax: 314-821-7171
Email: creditpro@creditprofessionals.org

Go to the CPI website to download the brochure:

***Professional Credit Certification:
The Key to Your Future***

www.creditprofessionals.org

**Keep Your Spirit Alive
With CPI**

KEEP YOUR SPIRIT ALIVE WITH CPI



Diane Radcliff, PCE
President, 2011-2012

I want to thank Pat Evans for her diligence in completing this year's Education Manual for CPI. Although Pat was challenged with personal events several months ago, she remained committed and focused, completing the manual with the contributions of all of those individuals who gave of their time and expertise in making the Education Manual successful.

A special thank you to all of the authors who took their personal time and extended their efforts to write articles for the Education Manual this year. With professional and personal schedules being pushed to the brink with time, it's quite refreshing to be able to have the contents of the Education Manual be available for a new read. Let me remind you, the members, of the importance of the Education Manual and why it's a valuable product. It gives Credit Professionals International members something TANGIBLE to read, review, learn and teach from.

Thank you to Charlotte Rancilio of the Corporate Office for her leadership and dedication to and for Credit Professionals International. Every year Charlotte works with the 2nd Vice

President to make sure that the Manual and its contents are completed and ready to be mailed once your dues are received. With the amount of time this project takes, and believe me it takes time, Charlotte Rancilio manages to handle this project in a timely manner and always encourages each new officer that takes on this project that it will get done and the end result will be a fantastic Manual.

For the term, 2010-2011, Billie Plasker reminded all of us of the importance of “Reflections on the Past; Visions of the Future” and in doing so, for my year 2011-2012, “Keep Your Spirit Alive with CPI” means to execute excitement to keep our membership strong and keep it going—using CPI as a means to grow both professionally and personally—and, above all, maintaining a positive attitude with your involvement in CPI, so anything is possible!

Ask yourself what you want from Credit Professionals International? You will only receive what you will give of your true self and that requires dedication. “Keeping Your Spirit Alive with CPI” will keep all of us grounded as we look to the future with many changes ahead.

About the author:

Nona Ellzey, MPCE

Nona Ellzey, MPCE, has been retired for eleven years. She previously worked for Deposit Guaranty as a Vice President in the Credit Card Department. She presently is secretary at her church, Alta Woods Baptist, while the regular secretary is out on medical leave.

Nona, who is a member of CPI of Jackson, MS, devotes much time to volunteer work with Credit Professionals International. She is a Past International President and has also held the president’s office at district, state and local levels. Currently, she is serving as President of the Credit Education Resources Foundation. She also is the CPI Volunteer Coordinator for certification, financial review and O. C. Tanner (jewelry orders). Nona received the International Credit Professional of the Year award in 1997 and the Hall of Fame Award in 2004. She was the 2007 recipient of the Helen B. Sawyers Hero Award, presented by the Credit Education Resources Foundation.

She has three children, four grandchildren, and two little great-grand girls that are the apple of her eye.

THE 2011-2012 EDUCATION MANUAL



Pat Evans, PCE
First Vice President, 2011-2012

Your goal is to get as many participants as possible to come and bowl. Charge each one an entry fee. If you rent all the lanes, you can also charge a small admission fee for spectators. Ask the bowling alley to donate discount bowling passes to each participant. Post information about the event at the alley, at other bowling alleys and at community bulletin boards at stores. Also get the event listed in your local newspaper's calendar of events.

Bowlers can compete for prizes such as most strikes, most gutter balls, highest game and lowest score. Be creative with awards. Instead of trophies, use ribbons. Tie into a credit education theme by giving winners an inexpensive calculator.

To boost profits, include a raffle and a silent auction.

Mini Golf Tournament

If you're not into bowling, try a tournament at a miniature golf course. You can arrange a flat payment for exclusive facility use or a per game fee that is substantially lower than the standard rate.

Solicit local businesses to sponsor a hole. Keep the price reasonable, such as \$25 or \$50. Sponsors would get signs acknowledging their contribution beside each putting tee. Encourage sponsors to offer two-for-one coupons that you would give to all participants. Or ask a business to give a prize to the person who gets the lowest score on the hole the business sponsors.

Add a "hole-in-one" event, in which all participants could participate. Choose just one hole for this. If participants are of various ages, have a prize for specific age groups—adults, teens, children.

Now we have given you some ideas. Take them and go run and have fun with them!

I am pleased to present to you the 2011-2012 Education Manual.

I hope you find these articles informative and timely. I want to thank our members who stepped up to the plate in writing these articles. I especially want to thank Charlotte Rancilio from our Corporate office who made this manual possible due to my medical challenges. Charlotte is amazing and is one of CPI's unsung heroes.

I found it very difficult to find articles and authors but I think you will find that, in the end, this manual provides you with a variety of topics that I hope you will find both professionally and personally helpful.

This manual's authors range from one of our oldest members—Colleen Collette of the Charlotte, NC, CPI, who joined in 1951—to one of our newest—Michael Moran, MPCE, a direct member from Columbia, MO, who joined in 2011. This reflects the dedication of our long-term members and the enthusiasm of those now coming onboard.

On a personal note, I want to thank everyone for the lovely cards that were sent while I was home with a broken arm and compound fracture to my wrist. I have learned more than I ever

wanted to know about Texas Workman's comp and can certify that this program gets a big Texas stink sticker from me. After being home 2 ½ months I hope none of you have to suffer through anything like this. As I type this with 1 ½ hands, I pray some day to have full use of both hands again.

I hope you enjoy the manual and see ya'll in St. Louis in June 2012, at CPI's 75th anniversary celebration.

*Pat Evans, MPCE
First Vice President 2011-2012*

***Knowledge is of
two kinds:
we know a subject
ourselves, or
we know where
we can find
information on it.***

***Samuel Johnson
(English Author)
(1709-1784)***

host these. Keep in mind, however, that you will need to haul all of your stuff and do all of your set-up on the morning of the sale. At a member's home, you can set up some of your table displays in their garage and then just move them outside on the day of the sale. And you save the rental fee.

If you go with a sponsored event, they handle the publicity. If you do your own, get your event listed in your local newspaper's classified section, under garage sales. Spend extra for a larger ad so that you can indicate it is a group sale (meaning lots of merchandise and variety) benefiting a non-profit group. Also post highly visible signs around the neighborhood. Fridays and Saturdays are considered the best days for garage sales. So aim for those.

Make certain all your merchandise is clean and that all electrical items and power tools work properly. Also, be certain every item is marked with a price tag. Experts suggest that, when pricing, leave some room for haggling because haggling is part of the fun for garage sale regulars.

Don't forget to have sufficient volunteers on hand the day of the sale to assist customers and handle the money. If you will have any heavy items, be sure to have a volunteer capable of helping buyers get these items to their vehicles.

Deliver for a Day

The Central Kansas Business Connection (aka "Hutch Bunch") raises funds by delivering Valentine's Day and Mother's Day flowers for a local florist. This can be a busy but fun activity. Just keep your GPS handy.

Bowling for Bucks

If you have bowlers in your group, sponsor a bowling marathon at a local bowling alley. Negotiate for a price break on renting the lanes, since you will be bringing in food/drink business for the alley.

THE PSYCHOLOGY OF MONEY

you may want to run it as a tournament. If not, then, as with a multi-game party, you will need a prize for the winner at each table. Prizes can be small and inexpensive but should be the same for each table.

In addition to the price of admission, you can make additional money by having a silent auction or some raffles. A “50-50” raffle is simple and easy to do.

When planning a card party, look for a venue that is free of charge or is available for a small fee. It should have kitchen facilities, since you will want to serve food and drink. Food choices range from a meal to just snacks and drinks. If you have enough volunteers, the refreshments can be served at the tables. Otherwise, set up a buffet.

You will need to provide each table with a deck of cards. If players will be choosing their game, have some dice on hand, since some people may want to play bunko or another dice game. You will also need a number of volunteers to welcome players, make announcements, assist with food and beverages, distribute prizes and handle other tasks. If you recruit friends or family members who are not CPI members to help, be sure to send them a note of thanks afterward.

You will also need to do publicity. Ask a creative member to design your announcement and get all members to distribute it at work and in the community. You can ask family members and friends to help with this. You will also want to get your event listed in your local newspaper’s calendars of events.

Garage Sales

You can have a lot of fun and raise a good sum of money by getting your local association’s members to host a garage sale together. As the saying goes, “many hands make light work.”

You can hold a garage sale at a member’s home or rent a space at a sponsored tailgate sale. Some churches and shopping centers



by Denise Surratt, CCCS

Have you ever wondered why two families or people—for that matter—with similar incomes can be so different in the way they accumulate and spend their worldly riches? Some seem to barely make it each month while others have money left over and put away substantial savings. Are you in the group that just barely gets by at the end of the month or do you have the ability to live well within your means and put away a few dollars for a rainy day?

Understanding individual and social behavior as well as mental processes associated with managing money can give us insight into what it takes to be successful with the funds we have available regardless of our social standing.

In this article we will explore:

- why you think about money the way you do;
- if needed, how to change the way you think about managing your money; and
- some of the tricks the world uses to separate you from your money.

If you better understand the internal and external forces that are at work on you as you make financial decisions each day, perhaps you can sharpen your decision making when it comes to making financial decisions in line with your overall goals.

First, let's look at how your spending habits line up with your personal values. Values are what a person feels is important, worthy, desirable, or right. When your spending habits and values are in sync, you generally have peace of mind in your financial world. It's when those habits and values are out of sync, that we become frustrated.

Do you, for example, value the importance of saving for an emergency, but continue to spend without considering how to actually put money into savings? So why do you think about money the way you do?

Quite often our thoughts and values go far back in our life experience. Do any of these examples bring to mind the world you experienced concerning the way others handled money?

1. My parents made good money but there never seemed to be enough.
2. I never saw my parents plan or give much thought to how they spent their money. We never wanted for anything and the bills were always paid.
3. Mom was always terribly worried and complained about overdraft fees while Dad struggled to find new ways to earn even more.
4. I was very troubled watching my parents struggle with money issues. I knew at an early age I didn't want to have the same problems as my parents. Even though I'm very careful with my spending plan, there is always room for improvement.
5. The youngest memory of how I felt was ambivalence. As I grew older I thought—control it so it doesn't control me.

But walking can be a lot of fun when you are doing it with fellow CPI members, friends, family or co-workers. It's a great time to talk, laugh and even sing. You can do it outdoors on trails or sidewalks, in parks or even on a parking lot. You can also walk indoors, such as at shopping malls before the stores open. In District 3&4, we hold our Walk-A-Thon at our district conference and our president makes the contribution to the International Walk-A-Thon.

Asking co-workers, family and friends to sponsor you with a monetary donation can be a drag but you can make it fun. Offer each donor a tempting treat—candy or a piece of fruit, for example. Or give each one a free entry in a drawing. For example, if everyone loves your chocolate chip cookies, donate a batch of those cookies as the prize for your drawing.

If you want to seek donations from the general public, check local solicitation laws first. Many cities prohibit this or have strict guidelines. You don't want to get arrested or fined.

However, if your local association is having a booth at a community event, you may, as a not-for-profit organization, be able to have a donation box or sell chances on a raffle. But check the event's guidelines to be certain you can do this.

You will find everything you need to do a Walk-A-Thon in the Members Only section of the CPI website: www.creditprofessionals.org. If you don't have Internet access, ask the CPI Corporate Office to send you the information.

Card Parties

Gathering people together to play cards and win non-monetary prizes has long been a good and a fun way to raise money. CPI of Atlanta has sponsored card parties for fundraising.

You can organize a card party around a specific card game, such as bridge, or you can let the people at each table play whatever card game they prefer. If you limit the event to one type of game,

ACCENT THE “FUN” IN FUNDRAISING



by Nona Ellzey, MPCE

There are boring ways to raise money—by mail, for example—and then there is the Credit Education Resources Foundation way—groups engaging in fun projects.

For more than two decades, the Foundation has been raising money to support continuing education for CPI members and credit education for consumers and children. In addition, it shares 25 percent of the funds it raises with the National Center for Missing and Exploited Children.

While our goals are serious, our methods of raising money are focused on having a good time. Let’s take a look at some of our fun ways of fundraising.

The Walk-A-Thon

Since the beginning, the Walk-A-Thon has been our primary fundraising activity. Now there are those who think walking is great and others—probably in the majority—who think walking is just a means to get from one place to another via the shortest route.

Such experiences can lead some to resolve not to let money control their lives, while others may have similar experiences and resolve to take control before the money does.

The answers to the following questions may give you some insight into how your life experiences have influenced your thinking about the place money has in your life.

1. What discussions did your parents have about money?
2. What did they actually do with their money?
3. What ideas or feelings did you get listening to how they felt about money?
4. In what way have their money messages affected your money style?
5. What is the first emotion you feel when someone says the word money?

Emotions and personalities we have put together as the result of our life experiences often play an important part in how we manage our finances.

For example, people who were always rewarded during childhood with candy, gifts or money for doing something good may feel they lack value if unable to buy or reward themselves on a regular basis.

Money decisions based on emotions are probably decisions being made for the wrong reasons. As a general principle, money decisions should be controlled using your logic not emotion. Here are examples of emotions and how they might drive financial decisions:

Anger: mad at your partner and buy something to get back at them.

Guilt: scolding your child and later trying to make up for it.

Jealousy: someone at work buys something you can’t afford so you buy something to make up for the way you are feeling about this.

Depression: buying something to help you feel better about life and yourself.

Joy: buying when you can't afford it simply because you deserve it.

Loneliness: buying to fill the void.

Boredom: making a purchase because you have nothing better to do.

Accomplishment: spending money to feel you have arrived at some level of prestige.

Anxiousness: worried about your job and making a purchase to feel more secure.

Being aware of emotional spending habits makes it easier to control spending triggered by those emotions. Emotional spending should be dealt with in ways that will help you understand the core or source of emotional needs. If, for example, you are lonely, seek out social activities or hobbies. Financially, spending time with friends and family is preferable to spending money to relieve loneliness.

Personality types, like emotions, tend to drive many of the ways we think about the role of money in our lives and how we choose to spend our funds. See the following list to identify your money personality and capitalize on its strengths and minimize the weaknesses.

Risk taker: willing to use the \$15,000 in home equity as collateral for a new business venture.

Conservative: doesn't feel safe or good about the above idea.

Competitive: new car fever because of an advertisement.

Saver: always has extra money.

Spender: always runs out of money.

Worrier: always worrying about money.

Happy-Go-Lucky: feels the universe will provide and never seems concerned about money.

Detail lover: only comfortable when everything is spelled out in black and white.

Big Picture Person: Needs everything to be designed around specific goals; must have step-by-step plans and reasons.

2. Incomplete Information

Some information was missing on the CPI Reimbursement Voucher forms.

Recommendation: Complete all relevant information on the CPI Reimbursement Voucher.

Place all the reviewed documentation into a binder which will be returned to the Treasurer once you have presented your report to the Board.

CREDIT EDUCATION MATERIALS free for CREDIT EDUCATORS

Credit Education Resources Foundation

www.creditprofessionals.org

Program: "Take Charge of Your Life"

Federal Trade Commission

www.ftc.gov

Programs: "Read Up! Reach Out!"

"Protect Your Identity Day"

Federal Deposit Insurance Corporation

www.fdic.gov/consumers

Program: "Money Smart"

(adult and young adult versions)

(available in English and Spanish)

Example of an Audit Report

Credit Professionals International Checking & Savings Account Review Report

INTRODUCTION

Initiating Action

At the request of the CPI Board of Directors a review of the books was conducted.

Objectives

The objectives of this review were to determine the following:
Accuracy of the books as of March 04, 2006.
Funds are adequately controlled, and properly accounted for

Scope

The scope included the CPI checking and savings accounts held at Your Federal Credit Union (checking and savings account 123456-25) from March 5, 2005 to March 4, 2006.

Summary of Audit Activities Performed

Verified all statements for the review period were on hand
Reviewed the statements for each month during the review period
Prepared a balance sheet for each statement

OBSERVATIONS AND RECOMMENDATIONS

During the audit several observations were noted. For selected observations, we have included recommendations aimed at improving the accurate control of CPI funds.

1. Expenses

There were no Executive Board Minutes to verify if the expenses paid were approved by the board and in some cases there were no receipts in the documentation for the expenditures.

Recommendation: All receipts, board approval for the expenditures, and the bank statements should be attached to the monthly Treasurer's Report.

Just the Facts type person: Doesn't want to hear the emotional issues and wants to keep it simple.

Knowing this information about ourselves will give us a better understanding of our financial behaviors. For example, consider a partnership between the "detail lover" and a "just the facts" person. The "detail lover" will need to focus on a condensed explanation, while the "facts only" person will need to develop patience.

Financial behaviors help determine purchase motivation. The real question is not even what are your goals and dreams, but what is your motivation for your goals and dreams? Motivation comes from WANTING to do something rather than having to do something.

Unfortunately financial behaviors often go unchecked and the end result is debt. Why you got too deeply into debt in the first place is not always addressed.

Why did you keep charging items you could not afford?
Why did you feel the urge to use those plastic cards for things that were not necessary?
What causes compulsive shopping?

If you are always trying to pay off yesterday's purchases, many of which have long since worn out or been forgotten, how will you acquire the things you truly want for tomorrow?

One negative aspect of using credit cards instead of cash is that you don't feel like you are spending real money. The pleasant feelings you experience when you purchase the item are disconnected from the unpleasant feelings of making the payment when you get the bill.

Studies show that most people are much less likely to buy, or less willing to spend as much, when paying with cash as

opposed to credit cards. Try leaving your credit cards at home. Pay with cash, check or a debit card.

To really get control of your spending, you may need to examine what money means to you. To many people, money equals security. To others, it might mean status or a measure of self-worth.

Sure, we need some degree of funds to meet the needs in life such as food, shelter and clothing for ourselves and our families, but the amount of money you might have does not determine who you are and your worth as a person. Learning to detach your sense of self-worth from money can often open up psychological barriers that may be keeping you from wisely handling the money you have. In reality, money is nothing more than a means to an end. Properly handled, money is a way to accomplish your goals and dreams.

As you begin to build up your feelings of self-worth and develop a positive attitude about yourself and about money, you will attract positive things into your life. As you do so, you will feel less of a need to generate positive feelings by purchasing things and you will find it easier to stop buying items you don't really need.

Emotions, personalities, financial mindsets, opportunities, and outside influences all come together to form the basis for our financial decisions—good or bad. So how can we put all these factors together and take on this crazy world where it seems everybody and everything is trying to take another dollar out of your pocket? Even if you have all the other factors in check, outside factors influence your spending habits.

Retailers have been studying you and your shopping patterns for years and have their stores ready and waiting for you and your money. Understanding their little secrets may help you become a wiser shopper.

Example of an Audit Cover Letter

ALAMO CREDIT PROFESSIONALS INTERNATIONAL
CHECKING & SAVINGS ACCOUNT REVIEW REPORT
March 13, 2006

**SUBJECT: Review of CPI's Checking & Savings Accounts
11/05/04 to 03/04/06**

**DIRECTED TO: Jane Doe—CPI President,
CPI Board, Membership**

Attached please find our report on Checking & Savings Accounts Review for the period of 11/05/04 to 03/04/06. The scope of the review includes CPI's checking & savings accounts held at San Antonio Federal Credit Union.

Included in the report are sections on initiating action, objectives and scope, observations and recommendations.

The **purpose** of performing this review was to ensure the following:

The accuracy of the accounts as of March 4, 2006.
The funds are adequately controlled and properly accounted for.

The balances in the accounts as of March 04, 2006 are as follows:

SACU Checking	\$2,156.93
SACU Savings	\$8,696.33

The fees for September's Training Seminar have not been billed as of March 4, 2006. The class attendees will be billed by March 31, 2006.

It is recommended that a copy of the Board Minutes are included in the Treasurers' book for each approved expense.

We want to thank you for your cooperation during the review. If you have any questions concerning this report, please let us know.

Respectfully Submitted,

Linda Simbeck, John Smith, Jane Jones
2005 -2006 Audit Committee

About the author:

Linda Simbeck, MPCE/CFE/BSACS

Linda Simbeck has been a member of CPI since 2003, when she attended the International Conference in San Antonio Texas.

In addition to being a Master Professional Credit Executive, Linda is a Certified Fraud Examiner and a Bank Secrecy Act Compliance Specialist.

Linda has worked for San Antonio Federal Credit Union for 26 years. Her current position is Vice President, Director of Loss Prevention.

Linda has been married to her best friend and husband, Jim, since 1972. They have one daughter, Linda Ann, and two grandchildren, Morgan, age three, and Thatcher, age two, who make their "hearts smile". Linda believes if you have served someone today, you are successful!

WHERE CAN A CPI MEMBER FIND:

Resources

Fellow CPI Members

Credit Education Materials

Career Enhancement Information

And news at Every Level:

Local, State, District, and International

THE CPI WEBSITE—THAT’S WHERE

www.creditprofessionals.org

Competition is stiff. It is hard to avoid seeing the 20%, 40%, even 60% off discount signs and commercials. Retailers are being very creative in their price promotions to capture a psychological effect: THE BUYER’S PRIDE IN FINDING A GREAT BARGAIN.

Some retailers use discounting as a regular part of their pricing strategy. You can’t find any of their private label merchandise at “Regular” price—EVER. The retailer will consistently run short-term “sales” to incite sales traffic that fears missing a great deal. The store gives shoppers the psychological benefit of saving “over 60%” if you buy today.

The retailing secret here is that shoppers aren’t likely to comparison shop for weeks on end as they would when buying a new car, for example. This means consumers will generally be less educated about regular everyday pricing on most goods and their desire for a bargain—never stronger than in an economic downturn—may drive their purchasing behavior. A sign advertising “60% off” will draw retail traffic better than something that reads “20% off last week’s price!”

Observe the way the stores display their merchandise. You will find colorful displays to encourage you to impulse buy. For most women, cosmetics and shoes are impulse buys. The cosmetics department is located in an area of the store that most have to pass to get to where they want to go. Shoe departments are usually close to the cosmetic department.

Where do you find the sale racks? There are two places sale racks are commonly placed: in the front of the store or in the back so you have to walk by the regular-priced items to get to the sale items. As you maneuver around the many tables with displays, which are typically high profit margin products like fashion jeans or polos, keep in mind retailers are only interested in keeping you entertained and interested so you will spend more time shopping. These tables do more than display items and products.

Grocery stores use coupons to entice consumers to shop their stores. The coupon may be a bargain on the item advertised but other item prices may have been increased to make up for the “savings”. **Example:** A coupon for Hersey’s chocolate syrup, you are going to need ice cream for the syrup.

Only use coupons for items that you would normally purchase. Otherwise, coupons will cost you more at checkout. Also notice the psychology used in the display of items.

Sugar cereals: children’s eye level

Higher priced items: adult eye level

Must have items (candy bars, magazines): at the checkout

End displays are used for promoting impulse buying. Seasonal or new products are often found on the end isles.

Now that you have a little insight into the ways retailers position their products to get you to buy more or higher margin products, develop a few counter measures of your own to defeat their little tricks and keep a few more dollars in your own pocket.

Two families: one barely making it each month, the other putting money in savings each month. Which one sounds most like yours?

Perhaps by better understanding all aspect of the psychology of money, you may understand why you always have money at the end of the month for savings. If you are not that savings family, perhaps you now have a little more knowledge to put yourself in a better place financially.

About the Author

Denise Surratt

Denise Surratt is the Chief Operations Officer at Consumer Credit Counseling of Greater San Antonio. She has been with the

How can you help your Treasurer to get organized?

Your Treasurer should complete Expense-Reimbursement Voucher form is for all deposits and disbursements.

Each Treasurer’s report should explain all disbursements and deposits so the membership understands where your money is coming from and going to.

The minutes for each meeting should be included with the Treasurer's report, the Expense–Reimbursement Voucher form and the Bank/Credit Union statements. These should be organized by month in a three ring binder.

When the next audit comes around it should take about 30 minutes or so to complete.

Happy Auditing!!!!

(note: see information about the author on page 64 and examples of an audit cover letter and an audit report on pages 65, 66 and 67.)

The Next Steps

1. If the documentation listed above is not in an organized order, organize it by dates.
2. Begin with the oldest (or beginning) date first and compare each item on the bank/credit union statement to each approved treasurer's report and to the Expense-Reimbursement Voucher form. Verify the amount and date of each transaction. If they match, check each item off with a red pen or pencil. If any do not match, circle the incorrect item with a red pen or pencil. (This will allow you to quickly identify any corrections that need to be made when you have finished the verification process.) Complete this process for each month.
3. Verify that any disbursements have been approved according to your By Laws.
4. Write your audit report (An example and template are located on CPI's website), listing all recommendations including any corrections that need to be made. (Remember that all corrections/changes to the Treasurer's Reports should be submitted to your Board and the membership at your next meeting.)
5. Place all the reviewed documentation into a binder which will be returned to the Treasurer once you have presented your report to the Board.

What Is Your Job Now?

Objectives

The objectives of this review were to determine the following:

1. Accuracy of the books as of [enter the ending date on your most recent statement].
2. Funds are adequately controlled, and properly accounted for.

Scope

The scope of your review should include the checking and savings accounts.

Consumer Credit Counseling industry for 23 years. Helping clients improve their financial situation is a passion that she takes great pride in.

She has a Masters Degree in Management and Organizational Development from United States International University in San Diego, CA.

Race Walking is her recreation of choice and she qualifies and participates in the National Senior Olympics. She has been married 41 years and has two adult children and three wonderful grandchildren.

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FIVE WAYS TO SOLVE PROBLEMS AT WORK



By Susan Fletcher, Ph.D.

Problems in the work place come in all shapes and sizes. There is no magic formula for solving every problem we encounter. Adapting our problem solving process to fit the problem at hand requires both cognitive and emotional skills. Here are five tips for problem solving in the Smart ZoneTM:

1. **A Point on Perception.** Is there really a problem and if so, is it solvable? For example, if your problem is that the sky is blue, then you will need to rethink the problem. Jochen Zeitz who is CEO of the shoemaker Puma says, "Design usually starts with 'There is no way' and then we say, 'Okay, how can we make this work?'"
2. **Define the Problem in a One-Sentence Statement.** This sounds easy but is really quite difficult. By having a well-defined problem it makes the solved state more measurable. Charles Kettering, co-holder of more than 140 patents and inventor of such things as the spark plug, leaded gasoline and Freon for refrigerators and air conditioners, once said, "A problem well stated is a problem half solved."

NOW YOU'RE ON THE AUDIT COMMITTEE WHAT HAVE YOU GOTTEN YOURSELF INTO?



by Linda Simbeck, MPCE/CFE/BSACS

Take a deep breath it's not as scary as it seems.

If your treasurer is well organized your job will be easy. If not, help your treasurer to become organized and that way the next audit will go quickly.

What Will You Need to Complete Your Audit?

- Bank/Credit Union Statements
- Treasurer's Report for the time period you are auditing
- Expense-Reimbursement Voucher forms for all deposits and disbursements
- Board/Meeting minutes with approvals as appropriate for disbursements (our treasurer keeps a copy of all Board and meeting minutes in the treasurer's binder to assist the auditors with their review.)

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District 7&9
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Ann Arbor, MI

District 12
March 23-24
Charlottesville, VA

3. **Focus on the Solved State.** Ask yourself and your team these questions:
 - a. How will we know when the problem has been solved?
 - b. What does the solved state look and feel like?
 - c. What is tangible evidence that the problem is solved?
4. **Use a System That Works for Your Group.** There are several problem solving techniques such as brainstorming, root cause analysis, the drill down technique, etc. The appreciation technique is a powerful way to extract the maximum amount of information from a fact. First you start with a fact and then ask the question, "So what?"

Example: Our warehouse does not have the required part in stock.

So what? The part will need to be ordered from a vendor.

So what? It will take more time to get the needed part.

So what? Our customer will need to be notified of the delay.

So... In the future, we need a process for the warehouse to order parts in advance so parts will not be out of stock when needed. While the same conclusion still could have been determined without a formal technique, it still provides a framework for extracting information quickly and reliably.

5. **Develop an Accountability Plan.** Many problem-solving sessions end when the solution is determined. But wait! Next, assign specific action items to people with a time frame for completion. Design a way to hold those responsible for the solution accountable for the results.

Eggshells... We all hate walking on them. When interacting with different personalities it can be difficult to be diplomatic in our communication with executive staff and the board of directors.

Early in my career I worked with "Bill" (not his real name). Bill was introverted and preferred structure. I tended to be more outgoing and creative. Initially I thought Bill was rude because he didn't seem to want to talk to me. Bill later confessed to me that he thought I was rude because I always tried to change the way things were done. Bill's introversion meant he didn't enjoy a lot of chit-chat and my creativity meant I enjoyed less structure. It was a clear case of personality difference.

The cohesion of the executive staff and board of directors is based on the culture, style and personality they adopt. The fact that board members tend to have diverse backgrounds means that there will be a variety of personalities represented.

"Different personalities help us be more effective and efficient," says Family 1st of Texas FCU president Sandra Szymanski.

"Even with our diverse backgrounds we are all focused on the same goal," adds American Airlines FCU board member Milton Whitehurst. Good relationships and a common goal are the glue that holds the board together and will encourage board and staff members to challenge one another in a productive way without feelings of threat or fear.

There are some common threads throughout the different personality types that will help maintain cohesion within your staff and board.

Here are Smart Strategies for how to maintain a cohesive executive staff and board of directors:

Hug the Tree

This is the concept of sticking to the main point in a conversation. Think of the tree representing the topic and the tree branches other tangents. When having group discussions, don't allow the conversation to go off point by discussing an old issue or something unrelated. Avoid "war stories" from the past that can get a discussion off track.

- ◆ Press charges if and when the criminal is caught. This helps protect others.

Please examine your own security practices and look for opportunities to make your entire home and property a tougher target for thieves.

About the author:

Colleen Collette

Colleen Collette became a member of Credit Women's Breakfast Club on January 19, 1951, and has remained a staunch supporter of this organization since. She has held positions on district and state levels, as well as within her local association, currently as Devotion Chairperson. She is a long-time member of the Career Club and served as president on the state level.

Colleen began her job experience at Charlotte's Morris Field, which the federal government operated as a pilot training base during the Second World War. After working for the Army-Air Force Base in Charlotte, she was transferred to Warner-Robbins, United States Army Materiel Command near Macon, Georgia, continuing there until after the war's end.

When she moved back to Charlotte, she secured a position at Gathings Motor Company and has worked as office manager in the retail automotive field ever since. Colleen retired from Larry Jay Mitsubishi in Charlotte in March of 2008.

Although she says it is becoming more difficult of late, she enjoys travel. She likes to entertain and is a wonderful cook. She also reads extensively and is very active within her church as well as contributing to several charities.

In retirement, she finds more time to keep in touch with family and friends and to search out the restaurants serving the tastiest food.

than mace or pepper spray. The cans typically shoot 20 to 30 feet. So if someone tries to break into your home, Glinka says, “spray the culprit in the eyes. That's going to give you a chance to call the police and maybe get out.” Maybe even save a life.

Another tip comes from a neighborhood watch coordinator. “Put your car keys beside your bed at night. If you hear a noise outside your home or someone trying to get into your house, just press the panic button for your car. The alarm will be set off, and the horn will continue to sound until either you turn it off or the car battery dies.

Next time you come home for the night and you start to put your keys away, think of this. It's a security alarm system that you probably already have and requires no installation. Test it. It will go off from most everywhere inside your house and will keep honking until your battery runs down or until you reset it with the button on the key fob chain. It works if you park in your driveway or garage. If your car alarm goes off when someone is trying to break into your house, odds are the burglar/rapist won't stick around. After a few seconds, all the neighbors will be looking out their windows to see who is out there and, sure enough, the criminal won't want that. And remember to carry your keys while walking to your car in a parking lot. The alarm can work the same way there. This is something that should really be shared with everyone. Maybe it could save a life or a sexual abuse crime.”

Let law enforcement officials help

- ◆ Report any crime, attempted crime or suspicious activity.
- ◆ Give details, including height, weight, clothing, appearance, license plate number and information about witnesses.

Recognize high emotions.

Regardless of personality type, as long as a person is communicating with high emotion, he or she does not feel understood. And before someone can trust others he/she must first feel understood. Without trust among staff and board members, there will be suspicion within the group and less cohesion.

Know the two parts of trust.

According to the Deming Center of Quality Management, 50 percent of time in business is wasted because of lack of trust. Trust is a function of character and competence. Character is your motive and integrity with people. Competence includes your skills, capabilities and your track record.

Focus on what is right rather than who is wrong when dealing with confrontational issues. Address issues, not personalities. Ask “What” and “How” questions instead of “Why” questions. Ideally the conversation style should be open with quick and honest communication that engenders constructive feedback. Recognize that people will behave differently in a group setting than they behave one-on-one. Peer pressure and intimidation affect how people interact in a group. New board members may be afraid to ask questions that could benefit everyone. New executive staff members may be afraid to challenge a seasoned board of directors.

Generational differences can be misinterpreted as personality differences.

It's not uncommon for a board of directors to be more senior in age than the executive staff. The younger generation (Generation Y/Millennials born after 1980) will embrace new technology, emailing and communicating online, whereas an older generation (Baby Boomers born 1944-1960) may resist technology and prefer more face-to-face interaction. These are the same generational differences you see within your credit union with members and their needs. Recognize motivators for the different generational groups to improve board and staff cohesion.

About the Author:

Susan Fletcher, Ph.D. is a psychologist, author and speaker who specializes in helping individuals, professionals and organizations apply strategies for fast improvement. Her Smart Zone™ strategies provide ways to be a top performer at work and home. To learn more about how to be in the Smart Zone, please visit her website at www.FletcherPhD.com or contact Susan at (972) 612-1188 or by email at drfletcher@fletcherphd.com.

The Smart Zone is a mental state for optimal performance using intellect, emotions, and behaviors.

Everyone can develop their own best practices to enhance focus, balance, and perspective to successfully meet the challenges in today's home and work environments. We all benefit from knowing when we are out of our Smart Zone so we can get ourselves back on track.

The Smart Zone Model is based on Emotional Intelligence (EQ) and Trust. Emotional Intelligence (EQ) is the set of skills people use to achieve optimal performance. Thoughts and emotions are the building blocks of performance and expert self-management. In every situation, it is important to have people skilled at managing their own emotions and the emotions of others in order to lead effectively. The ability to use emotions effectively is the foundation of high-performing relationships. Individual relationships create the workplace environment and the climate shapes the way employees and customers relate.

- ◆ If you have to park in your driveway, don't leave your garage remote control in plain view.
- ◆ In parking lots, park as close to the store as you can. At night, park under a light. Have someone from the store escort you to your car if you need assistance.
- ◆ Never leave a parking attendant your house keys.
- ◆ Don't leave valuables or packages inside your parked car where they can be seen. Lock them in the trunk.
- ◆ Don't have a key ring that has your name and address on it.
- ◆ Take your parking stub with you—don't leave it in your car.

Know What To Do If You Are a Victim of a Crime

If your home is burglarized while you are out:

- ◆ Don't go in if you suspect someone is still inside your home.
- ◆ Call your local law enforcement agency from your neighbor's home.
- ◆ Don't touch anything once you do enter your home. You may destroy potential evidence.

If someone breaks into your home while you are there:

- ◆ Don't confront the burglar.
- ◆ Lock the door to the room you are in or lock yourself in the bathroom if you are unable to leave your home safely.
- ◆ Call 9-1-1 immediately.
- ◆ In a worst case scenario and you find you must physically protect yourself and have no weapon, use wasp spray, hair spray, or anything that will allow you to put some distance between you and your assailant.

Val Glinka teaches self-defense to students at Sylvania Southview High School. For decades, he's suggested putting a can of wasp and hornet spray near your door or bed. It is inexpensive, easy to find, and more effective

safety may depend on not trying to hang on to it. Consider wearing a fanny pack instead of carrying a purse.

- ◆ When you are in a store, never leave your purse in a shopping cart.
- ◆ Don't carry any more cash than is necessary. Many grocery stores accept checks and credit or debit cards.

While waiting for a bus:

- ◆ Avoid isolated bus stops.
- ◆ Stand away from the curb until the bus arrives.
- ◆ Don't open your purse or wallet while boarding the bus. Have your pass or money already in your hand.

On board the bus:

- ◆ Stay alert and be aware of the people around you.
- ◆ Sit as close to the bus driver as you possibly can.
- ◆ Never fall asleep on the bus.
- ◆ Keep your purse in front of you and hold it close with both hands.
- ◆ If someone bothers you, change seats and/or tell the driver.
- ◆ If you observe any suspicious activity, tell the driver.

Vehicle security

- ◆ Always lock your car doors when you get into your car.
- ◆ Keep your passenger window rolled up.
- ◆ Keep your purse on the floor next to you not on the passenger seat.
- ◆ At night, drive on streets that you are familiar with and that are well lit.
- ◆ Wear your seatbelt properly.

Park smart

- ◆ At home, if you have a garage, use it. Lock your car and make sure your garage is secured.
- ◆ Be aware of any car that seems to be following you. Do not leave your car until you are certain no one has pulled into the drive behind you.

WHEN TREATING PEOPLE THE SAME CAN TAKE YOU OUT OF THE SMART ZONE

By Susan Fletcher, Ph.D.

Talking straight as defined in the book, *The Speed of Trust*, means “honesty in action by telling the truth and leaving the right impression.” We all know people who don't talk straight. We may say they are beating around the bush, double-talking, withholding information, using flattery or putting a “spin” on the situation.

It is possible for talking straight to get you out of your Smart Zone. Cruel or brutal communication used in the name of honesty is never effective. Keep the following Smart Moves in mind when working with people of different cultural backgrounds.

- **Dealing with Conflict.** In the U.S., we deal with conflict head on and work through differences as they arise. We may raise our voice, yell, and even stoke the fire during the discussion all in the name of “airing it out.” But in many Eastern countries conflict is often seen as embarrassing or demeaning and differences are worked out quietly—or even in writing (France and Germany prefer written communication). Losing one's temper will destroy trust and respect in Eastern countries.
- **Making Decisions.** In the U.S., we tend to delegate decision-making authority. But in many European and Latin American cultures there is additional status with being able to make decisions oneself. Also in the U.S., majority rules when making decisions, but in Japan the focus is put on attaining a consensus.
- **Reading other People.** In the *Journal of Personality and Social Psychology*, a study of Americans and Japanese revealed that, in a group of people, Americans read emotions

of each individual person within the group. Japanese tend to focus more on the emotions of each individual person within the whole group. Japanese are more sensitive to the social context of a situation. Keep this in mind when working in a group because a Japanese team member could react negatively to being singled out.

- **The Handshake.** In the U.S. a firm, 2-3 second handshake is respectful whereas a limp handshake is a sign of weakness. But in many countries a firm handshake is offensive. Keep this in mind when working with people of different cultures and don't force the strong U.S. handshake on someone to show domination.
- **Watch your body language.** In the Middle East, India specifically, agreement is shown by shaking one's head side to side, whereas in the U.S. this signifies disagreement. Public yawning is not acceptable in most Latin American countries—turn your head and cover your mouth if you feel a yawn coming on. In Korea, it is inappropriate for adults to smile in public. In France, someone who smiles too much is considered condescending or stupid—so wipe the smile off your face.

To stay in the Smart Zone, don't assume there is only one way to communicate (yours!). Listen and try to put yourself in other's shoes. Cultural diversity brings broader experiences that can give your organization a critical competitive advantage.

See page 20 for background information on the author and the Smart Zone model.

Organize a buddy system

- ◆ Have neighbors watch out for each other and report suspicious activity to the police department.
- ◆ Don't shop alone—take a friend—and don't shop at night.

Beware of phone scams

- ◆ Don't give personal or financial information to anyone over the phone.
- ◆ If you are a woman living alone, don't reveal that information to anyone on the phone.
- ◆ Hang up on nuisance callers and report chronic nuisance calls to the phone company.
- ◆ Do not put personal information on online social networks such as Facebook.

When You Go Out, Play It Smart

Secure your home

- ◆ Make sure all exterior doors and windows are secured.
- ◆ If you will be returning after dark, have an interior light set on a timer so when you come home, there will be a light on in your home.
- ◆ Don't leave a note on your door and never leave a house key under the doormat, in a flowerpot, or on the ledge of the door.

Street precautions

- ◆ Always be alert to your surroundings and the people around you.
- ◆ Avoid walking alone at night.
- ◆ Try to have a friend accompany you in high-risk areas—even during the daytime.
- ◆ Walk close to the curb—avoid doorways, bushes and alleys where someone could possibly hide.
- ◆ Make eye contact with people when walking.
- ◆ If you are carrying a purse, don't dangle it from your arm. Carry it securely between your arm and your body. If a purse-snatcher tries to steal your purse, your personal

THE S.A.F.E. ACT



By Pat Evans, PCE

- ◆ Ask service people for an ID before you open the door. If you did not request service, call the agency (look phone number up in the phone book) and verify the call for service.
- ◆ If a stranger asks to use your telephone, tell them to stay outside, lock the door behind you and make the call for them. Never let a stranger inside your home.
- ◆ Don't give any information about yourself or your neighbor to a stranger.
- ◆ Don't let anyone know you are home alone.

Secure windows.

- ◆ Draw the curtains and blinds at night.
- ◆ Don't leave your windows open at night. Use floor or ceiling fans for air circulation.

Install and use a peephole.

- ◆ Remember, chain locks can be forced open.

Consider a pet.

- ◆ Even a small dog can provide some protection besides the companionship. A barking dog is a good alarm system.

Protect valuables

- ◆ Keep money and other valuable papers and securities in the bank or safe deposit box.
- ◆ Have your Social Security or retirement check deposited directly into your bank account.
- ◆ Mark your valuables (TV, DVD/VCR, and computer equipment) with your driver's license number and the state's abbreviation.
- ◆ Keep an inventory list of your valuables and note model and serial numbers on that list. Videotape your home and take photos of your valuables. Keep a copy of the list, videotape and photos in your bank safe deposit box.

Background:

The S.A.F.E. Act was enacted as part of the Housing and Economic Recovery Act of 2008
*Public Law 110–289, Division A, Title V, sections 1501–1517, 122 Stat. 2654, 2810–2824 (July 30, 2008).*¹

As mortgage fraud continued to rise around the country, governing regulators determined that the fraud was being committed internally by loan originators, title companies, attorneys, appraisers and mortgage brokers. To prevent these individuals from setting up shop in one area, then leaving and establishing themselves in another part of the country, this act was passed to protect the consumer and track where the employees related to mortgage transactions are working.

Mortgage brokers and employees of a CUSO (a subsidiary of a financial institution) of a federal institution were required to be

licensed and tested for each state where they want to accept and process mortgage applications. Federal employees of credit unions only need to be registered but not tested and are registered in the state in which they are processing mortgage applications.

Annual estimated mortgage fraud losses for 2010 are expected to increase from 4 billion to 6 billion.² There are 94 FBI agents assigned to mortgage fraud cases as of 2010. Pending investigation for the first quarter 2012 are 3,020 cases, with 72% involving losses over \$1 million.

States with significant mortgage fraud in 2009 were:

1. Rhode Island
2. Florida
3. Illinois
4. Georgia
5. Florida
6. New York
7. Michigan
8. California
9. Missouri
10. Colorado

For 2010, successes reported were 1,531 indictments and 970 convictions, with 245 cases pending for 2010.³

The S.A.F.E. Today

The SAFE Act (Secure and Fair Enforcement for Mortgage Licensing Act) requires an employee of a bank, savings association, credit union or Farm Credit System (FCS) institution and certain of their subsidiaries that are regulated by a Federal banking agency or the FCA (collectively, agency-regulated institutions) who acts as a residential mortgage loan originator (MLO) to register with the Nationwide Mortgage Licensing System and Registry (NMLSR), obtain a unique identifier, and maintain this registration annually.

At Home, Consider These Tips

Keep doors locked.

- ◆ Install easy-to-use deadbolt locks on exterior doors. A good deadbolt should have a one-inch throw. If you have glass within 40 inches of the lock, use a double cylinder deadbolt lock (this type needs a key on both sides to unlock). Otherwise a burglar could break the glass, reach in and unlock the door.
- ◆ Don't attach an ID tag to your key ring.
- ◆ Install new locks if you move to a new home or lose your key.
- ◆ Keep garage and basement doors locked at all times, even when you are at home or while doing yard work.

Make sure your home is well lit.

- ◆ Turn on outside lights, spotlights, motion lights, etc.
- ◆ Leave several lights on timers while you are away to give your home that lived in look.

Control access to your home.

- ◆ Keep all shrubbery trimmed. Do not allow shrubbery to conceal windows or doors.
- ◆ Remove anything a burglar could climb up on to gain entry or use to knock out a window or door—items such as ladders, tools, tables and chairs.
- ◆ All exterior doors should be solid, rather than hollow core.
- ◆ If you are going away, ask a trusted neighbor or friend to pick up your mail, newspaper and other delivered items.

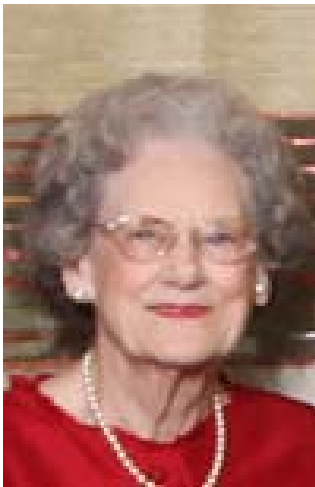
Try not to leave gifts in open view. This is an invitation to burglars.

- ◆ Don't advertise new gifts or purchases. Break up cartons before leaving them at the curb the morning of trash pick-up or dispose of them another way.
- ◆ Don't forget to engrave new gifts or purchases with your driver's license number.

Don't open your door to strangers.

- ◆ Be wary of solicitors and salespersons.

ARE YOU A VICTIM?



by Colleen Collette

Are you over 50? Do you limp, carry a cane, use a motorized cart at the store or, in any way, appear vulnerable? If so, you could be a target for criminals.

Crime is a frightening problem, especially for older adults. We may be concerned about burglary, fraud, muggings and purse snatchings but we don't have to feel helpless. We can learn how to reduce our chances of becoming a victim.

How Can We Protect Ourselves?

We can begin by learning some basic crime prevention information. It helps to know that:

- ◆ Criminals look for the easiest opportunities to commit a crime.
- ◆ You need to look for and remove any opportunities before criminals spot them.
- ◆ You don't necessarily need physical strength, agility, speed or expensive security devices. You do need to be alert, cautious and self-confident.

The final rule further provides that agency-regulated institutions must: require their employees who act as residential mortgage loan originators (MLO) to comply with the S.A.F.E. Act's requirements not only to register and obtain a unique identifier but also to adopt and follow written policies and procedures designed to assure compliance with these requirements.

As defined by the S.A.F.E. Act, a mortgage loan originator (MLO) or registered employee means an individual who takes a residential mortgage loan application **and** offers or negotiates terms of a residential mortgage loan for compensation or gain. Employees required to be licensed can take a residential mortgage loan application **or** offer or negotiate terms of a residential mortgage loan for compensation or gain.

The term does not include an individual who is not a mortgage loan originator (MLO) and: (1) performs purely administrative or clerical tasks on behalf of an individual who is a mortgage loan originator; (2) performs only real estate brokerage activities.

The S.A.F.E. Act specifically prohibits an individual from engaging in the business of residential mortgage loan origination (MLO) without first obtaining and maintaining annually:

1. a registration as a **registered mortgage loan originator** and a unique identifier if employed by an agency-regulated institution (federal registration), or
2. a **license and registration as a state-licensed mortgage loan originator** and a unique identifier.

In connection with the federal registration, the agencies, at a minimum, must ensure that the Registry is furnished with information concerning the mortgage loan originator's identity, including:

1. fingerprints, for submission to the Federal Bureau of Investigation (FBI) and any other relevant governmental agency for a state and national criminal history background check; and

2. personal history and experience, including authorization for the Registry to obtain information related to any administrative, civil, or criminal findings by any governmental jurisdiction.

Institutions that sell to Fannie Mae and Freddie Mac are required to include the mortgage loan originator's unique identifier on all residential mortgage loan applications dated on or after the compliance date for the unique identifier requirement.

Employers are not required to pay the fees associated with either registering or licensing their employees but, on average, employers are absorbing the fees as a cost of doing business. For federal credit unions, the fees are approximately \$110.00 per MLO. For some financial institutions, this means over \$30,000 to their bottom-line in fee expenses. Should the MLO terminate employment, the unique identifier goes with the employee and can be re-activated by the new employer.

State licenses require 20 hours of accredited course instructions and testing. According to the MBA (Mortgage Bankers Association), 400,000 MLO's have attempted to be tested as of May 2011.

State licenses also require a tri-merge credit report for all MLO's, although no minimum score has been established. All employers are required to establish a policy for a minimum employment credit score for all MLO's.

Fingerprints are good for 3 years but, annually, employees are required to attest that all information submitted in the registering/licensing process is still true and accurate.

Once the FBI criminal background check is complete, the employer is required to review the findings. If a RAP sheet is returned and a registration or license cannot be completed, the employer will have to determine the continued employment or terminate employment of these individuals.

Last year, a real estate business owner in southeast Los Angeles pled guilty to leading a scam that defrauded more than 100 homeowners and lenders out of some \$12 million.

She promised to help struggling homeowners pay their mortgages by refinancing their loans. Instead, she and her partners in crime used stolen identities or straw-buyers (people who are paid for the illegal use of their personal information) to purchase these homes. They then pocketed the money they borrowed but never made any mortgage payments.

In the process, the true owners lost the title to their homes and the banks were out the money they had loaned to fake buyers.

So how can prevent your house from getting stolen?

Not easily, we're sorry to say. The best you can do at this point is to stay vigilant. A few suggestions:

- If you receive a payment book or information from a mortgage company that's not yours, whether your name is on the envelope or not, don't just throw it away. Open it, figure out what it says, and follow up with the company that sent it.
- From time to time, it's also a good idea to check all information pertaining to your house through your county's deeds office. If you see any paperwork you don't recognize or any signature that is not yours, look into it.

House Stealing **The Latest Scam on the Block**

(Information provided by the FBI)

What do you get when you combine two popular rackets these days—identity theft and mortgage fraud? A totally new kind of crime: house stealing.

Here's how it generally works:

- The con artists start by picking out a house to steal—say, YOURS.
- Next, they assume your identity—getting ahold of your name and personal information (easy enough to do off the Internet) and using that to create fake IDs, social security cards, etc.
- Then, they go to an office supply store and purchase forms that transfer property.
- After forging your signature and using the fake IDs, they file these deeds with the proper authorities, and lo and behold, your house is now THEIRS.

There are some variations on this theme

Con artists look for a vacant house—say, a vacation home or rental property—and do a little research to find out who owns it. Then, they steal the owner's identity, go through the same process of transferring the deed, put the empty house on the market, and pocket the profits.

Or, the fraudsters steal a house a family is still living in, find a buyer (someone, say, who is satisfied with a few online photos), and sell the house without the family even knowing. In fact, the rightful owners continue right on paying the mortgage for a house they no longer own.

It can get even more complicated than this, as we learned in a recent case out of Los Angeles that we investigated with the IRS.

Employers are adding to the job descriptions of these employees, requiring them to be either registered or licensed. Policies are being developed to encompass the consequences for not registering or being licensed or the failure to keep their status active and current.

If an MLO has a name change or address change, he or she has 30 days to submit the changes into the NMLSR database.

If an employee is unable to be either registered or licensed, the employer is responsible for removing the MLO from further mortgage application processing.

What Does This Act Mean to the General Public?

As of July 29, 2011, all MLOs must be either registered or licensed with the NMLSR.

MLOs must make the unique identifier available to consumers in a manner and method practicable to the financial institution or the mortgage broker company.

A registered mortgage loan originator (MLO) must provide his or her unique identifier to a consumer:

1. upon request;
2. before acting as a mortgage loan originator

This must be done through the originator's initial written communication with a consumer, if any, whether on paper or electronically.

Consumers can access information regarding an MLO by going to the following link:

<http://www.nmlsconsumeraccess.org/>

This site will determine if the MLO is in an active status and authorized to do business in which state. The consumer will be able to confirm the following:

- all alias names used by the MLO since the age of 18
- if the MLO has been convicted of any felonies involving a financial transaction in the last ten years
- the MLO's current employer, the employer's address, the MLO's work number
- all employment history for the last 10 years, if it is related to a mortgage financial institution or mortgage company
- that a valid active number is in the database and when the registration expires.

Quarterly Call Reports

Within 45 days of the end of every calendar quarter, state licensed or state registered employers with MLOs will be required to report the production volume of each MLO.

These call reports are demonstrating accountability for all MLOs and their production volume by program types, i.e. home equity loans, adjustable rate mortgages (ARM), secondary mortgage loans, etc.

The report has two components:

1. Residential Mortgage Loan Activity (RMLA)—This component collects application, closed loan, individual MLO, line of credit and repurchase information by state.
2. Financial Condition (FC)—This component collects financial information at the company level. It does not have to be completed by the state.

Auto-Decisioning Engines

Financial institutions may use an auto-decisioning engine to determine if a consumer qualifies for their specific mortgage products. The software programs are managed and tested by the employees of the financial institution. The designated employee held accountable for the management and testing of the rules governing this software must be an MLO.

- Do not accept payment from individuals for a home you did not purchase.
- Seek out your own reverse mortgage counselor.

If you are a victim of this type of fraud and want to file a complaint, please submit information through our electronic tip line or through your local FBI office. You may also file a complaint with HUD-OIG at

www.hud.gov/complaints/fraud_waste.cfm
or by calling HUD's hotline at 1-800-347-3735.

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Reverse Mortgage Scams

(Information provided by the FBI)

The FBI and the U.S. Department of Housing and Urban Development Office of Inspector General (HUD-OIG) urge consumers, especially senior citizens, to be vigilant when seeking reverse mortgage products. Reverse mortgages, also known as home equity conversion mortgages (HECM), have increased more than 1,300 percent between 1999 and 2008, creating significant opportunities for fraud perpetrators.

Reverse mortgage scams are engineered by unscrupulous professionals in a multitude of real estate, financial services, and related companies to steal the equity from the property of unsuspecting senior citizens or to use these seniors to unwittingly aid the fraudsters in stealing equity from a flipped property.

In many of the reported scams, victim seniors are offered free homes, investment opportunities, and foreclosure or refinance assistance. They are also used as straw buyers in property flipping scams. Seniors are frequently targeted through local churches and investment seminars, as well as television, radio, billboard, and mailer advertisements.

A legitimate HECM loan product is insured by the Federal Housing Authority. It enables eligible homeowners to access the equity in their homes by providing funds without incurring a monthly payment. Eligible borrowers must be 62 years or older who occupy their property as their primary residence and who own their property or have a small mortgage balance. See the FBI/HUD Intelligence Bulletin for specific details on HECMs as well as other foreclosure rescue and investment schemes.

Tips for Avoiding Reverse Mortgage Scams:

- Do not respond to unsolicited advertisements.
- Be suspicious of anyone claiming that you can own a home with no down payment.
- Do not sign anything that you do not fully understand.

Credit Committees

Financial institutions that use committees to review employee loans or to re-hash declined applications on request are required to have at least one MLO on these committees.

Future Registration/Licensing Requirements:

Some states, such as Iowa, are now requiring the closing agents to be licensed. This would include title companies and attorneys. Other states are considering the licensing and or registration of the processing clerks that create the closing loan packages.

Agencies Governing This Act

The NMLSR website provides the following information:

Farm Credit Administration

Contact: SAFEAct@fca.gov

Website: <http://www.fca.gov/home/SafeAct.html>

Federal Deposit Insurance Corporation

Contact: SafeActSystem@fdic.gov

Website: <http://www.fdic.gov/regulations/laws/safe/index.html>

Board of Governors of the Federal Reserve System

Technical: Frank P. Mongiello, Manager, IT Support,

SafeActSystem@frb.gov

Policy: Stanley Rediger, Supervisory Financial Analyst,

SafeActSystem@frb.gov

Legal: Anne Zorc, Counsel, Legal Division, (202) 452-3876

Website: <http://www.federalreserve.gov/bankinforeg/safeact.html>

National Credit Union Administration

Contact: Office of Examination & Insurance, (800) 827-6282 x 6360,

EIMail@ncua.gov

Website: <http://www.ncua.gov/Resources/SAFEAct.aspx>

Office of the Comptroller of the Currency, Treasurer

Contact: SafeActSystem@occ.treas.gov

Website:

<http://www.occ.gov/topics/laws-regulations/occ-regulations/safeact.html>

Office of Thrift Supervision, Treasury

Contact: SAFE@ots.treas.gov

Website:

<http://www.ots.treas.gov/?p=RegistrationOfMortgageLoanOriginators>

Footnotes:

¹Federal Reserve Board

²The Preston Group

³FBI website

About the Author

Pat Evans, PCE

Pat Evans, PCE, has worked at San Antonio Federal Credit Union (SACU) for 25 years, primarily in lending, managing Direct, Indirect and Mortgage loan processing. She also assisted in the management of the collection department and ran the Credit Card Center for many years. Currently, she has been asked to start up the first Mortgage Compliance Department, which has been a challenge given the current industry environment. This responsibility has made her very familiar with the S.A.F.E. Act.

Prior to joining SACU, Pat worked for Alamo National Bank and Frost Bank. For both, she worked in their Credit Card Centers, performing collections and accounting dues at various times.

Currently, Pat is First Vice President of Credit Professionals International. She has served as President of Alamo CPI in San Antonio and has held elective offices within District 8. She also has served on most of the committees at the local and district level.

- **Never sign a blank document or a document containing blank lines.** Be sure to read and review all loan documents signed at closing. If you don't understand what you're signing, get an attorney who can review the documents for you.

Financial difficulties? If you're a homeowner who's having a tough time making your mortgage payments, be aware of e-mails or web-based ads from companies who claim they can help you eliminate your mortgage debt while all you have to do is pay an up-front fee for them to do the paperwork—it's a scam. And, if you've been told by your lender that you are facing foreclosure, don't fall for any of the fraud schemes out there, including the one where a perpetrator convinces a homeowner to sign over the house deed "temporarily"—for a fee, of course. The homeowner not only loses the up-front fees, but the perpetrator often turns around and sells the house out from under the owner.

The best advice if you find yourself in some financial difficulty? Contact your lender before your situation gets too bad, says Agent Broshears. "The lenders don't want your house," he explains, "and most will work with you to help you keep it. Plus, they're already dealing with a large number of foreclosures on homeowners who didn't seek their help in time—they don't want any more."

Rest assured that the FBI will continue to make the investigation of mortgage fraud a priority. An informed public, however, would make our job a little easier! But if you think you've already been victimized, contact your local FBI field office.

Mortgage Fraud How to Avoid Becoming a Victim

(Information provided by the FBI)

Sub-prime loans. Foreclosures. Government bailouts. You can't read a newspaper or watch the evening news these days without seeing stories about the current mortgage crisis and the fraud that goes along with it.

The FBI, of course, plays a major role in investigating mortgage fraud—and our caseload has more than tripled in the past five years. But while we're focusing on the perpetrators, what can you as a consumer do to protect yourself from becoming a victim of mortgage fraud?

Plenty, says Special Agent Scott Broshears, a mortgage fraud supervisor who works at FBI Headquarters in Washington, D.C. "And while some of these steps may require you to do a little extra work now," adds Agent Broshears, "in the long run it may save you aggravation, money, and even your house."

- **Get referrals for real estate and mortgage professionals when you want to buy or sell a home.** And once you do, check out their licenses with state, county, or city regulatory agencies. Most of these people are exceedingly honest and above-board—it's just a small percentage who have given the overall profession a black eye.
- **Do your own research into what other homes in the neighborhood have sold for.** Also, look into recent tax assessments of neighborhood homes.
- **Beware of "no money down" loans.** These are a gimmick used to entice people to buy a home they really can't afford.
- **Don't let anyone (i.e., a realtor, mortgage broker) talk you into making a false statement on your loan application,** like overstating your income or lying about where your down payment is coming from.

KEEP YOUR HEART HEALTHY WITH "LIFE'S SIMPLE 7"



by Melissa Weber

Heart disease is the nation's No. 1 killer, affecting one in three Americans. So how can you keep your heart healthy?

The American Heart Association has a simple solution. It's called Life's Simple 7—proven, easy-to-embrace ways to improve your health and significantly lowering your risk of heart disease and stroke.

Life's Simple 7 helps you create a realistic action plan to keep your heart strong. And with My Life Check, available free at mylifecheck.heart.org, you can receive a personalized heart assessment and customized life plan to kick-start a heart-healthy life today.

"A lot of people don't realize they're at risk for heart disease and stroke," said Ralph L. Sacco, M.D., president of the American Heart Association. "The American Heart Association's My Life Check can help identify your risk level and offers simple steps to get started on the path to ideal cardiovascular health."

How simple is it? Just take a look at the seven behaviors and factors you can quickly improve:

- 1. Get Active.** You don't have to join a gym or run in a 5K. Start small by incorporating physical activity into your daily routine more and more. Take the stairs instead of the elevator, park at the farthest end of the parking lot, or use your lunch break to take a quick walk.

When you're ready, aim for 2½ hours of moderate exercise each week. "That's basically taking a 20-minute walk every evening," said V. Seenu Reddy, M.D., a heart and lung surgeon at University of Texas Health Science Center at San Antonio. Up for a more intense workout? You'll get the same heart-pumping benefits with 75 minutes of vigorous exercise.

Along with gaining strength and stamina, exercising regularly can lower blood pressure, keep body weight under control, and increase your HDL—otherwise known as "good" cholesterol. Exercise also better regulates blood sugar by improving how the body uses insulin. You'll help prevent bone loss, sleep better and reduce your risk of cancer. And if you're still not motivated, consider this: Studies indicate that for each hour of regular exercise you get, you can add about two hours to your life expectancy.

- 2. Control Cholesterol.** We all have cholesterol—that waxy substance found in the bloodstream and in the cells of our body. But despite its reputation, cholesterol isn't all bad. In fact, it plays an important role in keeping us healthy. The body makes most of the cholesterol we need and gets the rest from the foods we eat, specifically from animal products such as meat, eggs, poultry, fish, butter, cheese and whole and 2-percent milk. But you have to strike a balance to prevent too much cholesterol in the blood.

This amendment is intended to ensure that real estate appraisals used to support creditors' underwriting decisions are based on the appraiser's independent professional judgment, free of any influence or pressure that may be exerted by parties that have an interest in the transaction. The amendment also intends to ensure that creditors and their agents pay customary and reasonable fees to appraisers.

This rule applies to creditors, appraisal management companies, appraisers, mortgage brokers, realtors, title insurers and other firms that provide settlement services. This rule also prohibits covered persons from engaging in coercion, bribery, and other similar actions designed to cause anyone who prepares a valuation to base the value of the property on factors other than the person's independent judgment.

Professionals in the credit industry need to be aware of fraud in the mortgage industry and become active in its prevention. As the economy rebuilds as we emerge from the recession, the credit industry has an opportunity to become more diligent in identifying and reporting mortgage fraud.

References

- *Report: Federal Financial Institutions Examination Council, The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: A White Paper, July 2009.*
- *Report: Dodd-Frank Wall Street Reform and Consumer Protection Act, July 2010.*

About the Author

Michael J. Moran, MPCE

Mike Moran has a BSBA degree with a concentration in finance and an MBA degree. Mr. Moran has worked in banking for the past six years and received his Master Professional Credit Executive designation in 2011.

appraisers, ordering appraisals, reviewing appraisals) operate independently from and isolated from influence by the institution's loan production staff.

- Criteria to select, evaluate, and monitor the performance of persons who perform an appraisal or evaluation.
2. Establish a listing of appraisers who have been "suspended" or "terminated" by the institution and procedures to ensure such appraisers are prohibited from engaging in future transactions with the institution either directly or through any third parties.
 3. Use of website www.ASC.gov to determine if there are any enforcement actions against appraisers on the National Registry, which lists appraisers who are eligible to perform appraisals in connection with federally related transactions.
 4. Establish policy and procedures for complying with the agencies' guidance on managing arrangements with third parties including performing initial due diligence review and on-going monitoring of all third party vendors (e.g., appraisal management companies, agents acting on behalf of the financial institution to obtain appraisals).
 5. Establish an employee training program that provides an understanding of:
 - Common mortgage fraud schemes.
 - Appraisal standards and requirements under the agencies' appraisal regulations and supervisory issuances.
 - Appraisal techniques and valuation methods.

Recent Federal Regulation

On July 21, 2010, the Truth in Lending Act (TILA) of the Dodd-Frank Wall Street Reform and Consumer Protection Act was enacted. This established new requirements for appraisal independence for consumer credit transactions secured by the consumer's principal dwelling.

There are two types of cholesterol: the "good" kind (HDL) and the "bad" kind (LDL). High levels of bad cholesterol can clog your arteries, increasing your risk of heart disease and stroke. This is where good cholesterol comes into play: HDL cleans out that bad cholesterol from the arteries. You can produce more of those housekeeping HDLs by exercising regularly and avoiding excess saturated fat, *trans* fat and cholesterol in the foods you eat.

For some people, diet and lifestyle changes alone aren't enough. Your doctor may prescribe medication to keep your cholesterol levels in check. If you don't know your cholesterol levels, talk to your doctor about scheduling a cholesterol screening.

3. **Eat Better.** "Half your plate should be fruits and vegetables," said Penny Kris-Etherton, Ph.D., R.D., a nutritionist at Penn State University who herself uses Life's Simple 7. "It's important to choose fruits and vegetables over empty-calorie foods."

Eating the right foods can help you control your weight, blood pressure and cholesterol. So what's a heart-smart diet? Here are some good guidelines: at least 4½ cups of fruits and vegetables a day, fish at least twice a week, fiber-rich whole grains every day, less than 1,500 milligrams of sodium per day and no more than 450 calories a week of sugar-sweetened beverages.

Anyone can eat healthier regardless of their budget or where they get their groceries. "Wherever you shop it's about making healthy choices—more whole grains and vegetables instead of processed foods," Reddy said.

Another tip is to watch for foods stamped with the American Heart Association's Heart-Check Mark on the packaging. That's a sure way to know you're choosing a food low in saturated fat and cholesterol.

4. Manage Blood Pressure. One in three Americans has high blood pressure—yet, of those, one out of every five doesn't even know they have it. That's because high blood pressure has no symptoms, which makes it often called "the silent killer."

Blood pressure measures the force against the walls of your arteries as the heart pumps blood through the body. If the force is too hard, you have high blood pressure, sometimes called hypertension. This extra pressure stretches the arteries, causing tiny tears that the body repairs. The resulting scar tissue acts like a net, catching plaque and other passersby in the bloodstream. That can form into blockages, blood clots and hardened, weakened arteries.

Keeping your blood pressure in a healthy range starts with eating a heart-healthy diet. Other important factors are exercising regularly, not smoking, maintaining a healthy weight, limiting your salt intake, limiting the amount of alcohol you drink and taking medication prescribed by your doctor.

5. Lose Weight. Extra weight can do serious damage to your heart. Too much fat, especially around the belly, increases your risk for high blood pressure, high cholesterol and diabetes. So give your heart a break by dropping the extra pounds—and keeping them off.

One in three adults is obese. That means their body mass index—a calculation of body fat that uses weight in relation to height—is 30 or higher (a BMI less than 25 is considered healthy). Put another way, a 5-foot-10 man weighing 210 pounds is medically obese. You can calculate your BMI using our online calculator at heart.org/BMI. Or, if you're up for a little math, start by multiplying your weight in pounds by 703. Divide that

appraisal report to support the value provided. The property is compared to properties outside of the general area where the subject house is located. Without knowledge of that area, it appears, to anyone reviewing the appraisal report, that the comparable properties provide support for the value. However, no adjustments have been made for the fact that the comparable properties are newer, larger, in better condition and in a better location than the subject property.

Pressures on Appraisers

Some lenders apply pressure on appraisers to hit a pre-determined value. Below are examples of types of pressures that are brought to bear on appraisers.

- The withholding of business if the appraiser refuses to inflate values
- The withholding of business if the appraiser refuses to guarantee a predetermined value
- The withholding of business if the appraiser refuses to ignore deficiencies in the property
- Refusing to pay for an appraisal that does not give the lender what they want.

Solutions

1. Lenders must establish an appraisal policy with procedures in accordance with the Interagency Appraisal and Evaluation Guidelines' appraisal regulations, supervisory issuances, institutional policies, and sound business practices that include:
 - Procedures for reviewing all appraisals and evaluations on a pre-funding basis for reasonability, completeness, and compliance with the agencies' appraisal regulations, which incorporates, by reference, the Uniform Standards of Professional Appraisal Practice (USPAP) and procedures to address discrepancies and irregularities.
 - Standards of independence to ensure that the collateral valuation functions (such as selecting

Appraisal fraud occurs when a home's appraised value is deliberately overstated or understated. When overstated, more money can be obtained by the borrower, in the form of a cash-out refinance, or by the seller in a purchase transaction.

Appraisal fraud also includes cases where the home's value is deliberately understated to get a lower price on a foreclosed home or in a fraudulent attempt to induce a lender to decrease the amount owed on the mortgage in a loan modification.

Appraisal fraud can also occur when an appraiser falsifies information on an appraisal and provides an inaccurate valuation on the appraisal with the intent to mislead a third party. In addition, appraisal fraud occurs when a person falsely represents himself as a State-licensed or State-certified appraiser or uses the identity of an appraiser as his own.

One common form of appraisal fraud relies on artificial inflation using one or more valuation approaches. A buyer and a real estate professional will use a willing appraiser to artificially modify the value of a property. The property's false inflated value can be used to secure a second mortgage, place the property on the market at a greatly inflated price, or secure an initial mortgage loan that will be defaulted upon at a later time.

An Example

A single male obtains financing for the purchase of his first home, contingent upon the house value. He plans to use the \$8,000 tax credit for the down payment and closing costs and only has nominal cash available. So there is no possibility that he could cover the difference if the house doesn't appraise for the purchase amount of the home.

His loan officer arranges for an appraisal of the property but sends the appraiser the standardized form with the final market value section completed. The appraiser wants to continue his relationship with the mortgage broker, so he agrees to develop an

number by your height in inches, then divide again by your height in inches, and the result is your BMI.

Every little bit helps. You can shed 24 pounds a year by dropping just two pounds a month, and losing as few as 10 pounds decreases your heart disease risk. The trick is to reduce the calories you take in by eating healthy foods, and increase the calories your burn through physical activity.

You're more likely to stick to your fitness and nutrition plan if you find healthy foods you like and physical activities you enjoy. Kris-Etherton recommends the buddy system. Get your spouse or a friend to make the change with you. "Social support is very motivating," she said.

6. Control Blood Sugar. Diabetes can quadruple your risk of heart disease or stroke, so keeping blood sugar levels under control is crucial to preventing medical problems involving the heart and kidneys. If left untreated, diabetes can also cause blindness and nerve disease, among other health complications.

You can minimize the impact of diabetes on your body—and even prevent or delay the onset of diabetes—by eating right, controlling your weight, exercising and taking medication prescribed your doctor. In some cases, lifestyle changes result in less need for medication.

Minimizing your sugar intake is a good start. Sugary foods can cause blood sugar levels to fluctuate rapidly, leaving you feeling tired. "Ironically, sugar highs end up in sugar lows," Reddy said. By keeping blood sugar levels under control, you'll have more energy throughout the day, he said.

7. Stop Smoking. It's time to kick the habit. With one in five deaths caused by smoking, going smoke-free can help

prevent not only heart disease and stroke, but also cancer and chronic lung disease.

Over the past decade, cigarette consumption in the United States has declined by more than 24 percent. Even so, about 23 percent of men and 18 percent of women still smoke. “This is why we need to remain vigilant in keeping this and other issues regarding achieving ideal cardiovascular health on the front burner,” Sacco said.

The payoff from putting down tobacco products starts almost immediately. People who quit smoking wind up having the same risk level for developing heart disease as non-smokers within only a few years.

In San Antonio, Reddy uses Life’s Simple 7 to talk to his surgery patients about achieving long-term success. Back at home, patients log on to My Life Check (mylifecheck.heart.org) and develop their action plan.

“The website makes the Simple 7 even simpler,” Reddy said. And it’s not just for patients dealing with cardiovascular diseases. “These are good guidelines for all Americans to follow in terms of preventive health and health maintenance,” Reddy said.

The American Heart Association is committed to preventing heart disease in America one heart at a time. Learn more at heart.org, or call 1-800-AHA-USA1 (1-800-242-8721).

About the Author

Melissa Weber

Melissa Weber is a San Antonio free-lance writer. She has written about media issues for 10 years.

MORTGAGE APPRAISAL FRAUD CAUSE AND PREVENTION



by Michael Moran, MPCE

The mortgage industry has certainly seen a tumultuous change in the real estate market over the last five years. A significant factor for the downturn in the economy is directly due to fraud in the United States mortgage industry. Mortgage fraud is a large problem and deserves significant attention in the credit industry.

The mortgage lending industry has lost billions of dollars as a result of fraud, and the sum is believed to have risen steadily in recent years. Though the lender is the direct victim of mortgage fraud, honest homeowners and homebuyers are harmed by fraud as well, through increased housing costs.

There are many types of mortgage fraud. This article will focus on a specific sector which has shocked many Americans—appraisal fraud.



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Heart Health Facts ... And What *You* Can Do

The heart is your hardest-working muscle, pumping blood to the body 60 to 80 times each minute. But for millions of Americans each year, the heart stops working properly.

Sometimes blood vessels become narrowed or blocked, preventing the heart from pumping blood as well as it should. In other cases, the heart beats too fast, too slow or irregularly.

Researchers estimate that life expectancy could increase by almost seven years if heart diseases, stroke and other blood vessel diseases were eradicated. By educating yourself about cardiovascular diseases, you can take steps to protect you and your family.

Fact: One out of every three Americans has at least one type of cardiovascular disease, such as heart failure, heart attack or stroke. That adds up to more than 81 million adults.

What You Can Do: Take control of your heart health. Stick to healthy habits—exercise, don't smoke and eat right. That may be easier said than done, so get motivated with the help of others. Ask your healthcare provider or local hospital about exercise, wellness or nutrition programs or classes available in your area.

Fact : Nearly 300,000 people suffer cardiac arrest—when the heart suddenly stops beating—outside a hospital each year. Less than 8 percent survive to make it home from the hospital.

What You Can Do: Take a CPR class. CPR, when done immediately and correctly, can double or even triple a person's chance of survival. Learn more at heart.org/cpr.

Fact: Cardiovascular diseases kill more American women than cancer, chronic lower respiratory disease, Alzheimer’s disease and accidents combined — roughly one death every minute.

What You Can Do: Don’t ignore symptoms. A recent survey of women who survived a heart attack found that many had worsening symptoms during the weeks leading up to their heart attack. But they misinterpreted them as fatigue, indigestion or muscle strain.

Fact: Your risk for a heart attack increases by about 70 percent if you’re a woman whose parent had a heart attack at an early age. For a man, the heart attack risk doubles. Having a sibling with heart disease doubles the chances of heart disease in both men and women.

What You Can Do: Fill out a family health tree to find out which medical conditions, such as heart disease or diabetes, are in your family. Talk to your doctor about your family’s health history during your next visit, and discuss how you can reduce your risk of developing heart disease or other conditions.

Fact: Some heart attack risk factors—increasing age and heredity, for example—can’t be controlled.

What You Can Do: It’s important to manage the risk factors that can be changed, such as smoking and obesity. Use the Heart Attack Risk Calculator, available at heart.org/heartattack, to find out your risk of having a heart attack or dying from coronary heart disease over the next 10 years.

Fact: Most heart attacks start slowly, causing shortness of breath with or without mild pain or discomfort in the chest, one or both arms, the back, neck, jaw or stomach. The warning signs of a stroke are different and include confusion, trouble walking and numbness or weakness of the face, arm or leg.

What You Can Do: Learn the warning signs of a heart attack and stroke at heart.org/warningsigns. If you or someone else experience symptoms, call 9-1-1 immediately.

Fight Heart Disease in Women: Go Red For Women

Heart disease is *still* the No. 1 killer of women, causing one in three deaths each year. That’s one death every minute. Your mother, sister, wife — perhaps even you — may not be leading a heart-healthy life. That’s why the American Heart Association created Go Red for Women, a movement to inspire and empower women to take charge of their heart health. We want women to Make it Their Mission to spread the word and save lives.

Here are some of the resources you’ll find at GoRedForWomen.org:

- Details on how to **Tell 5**: Tell five women in your life how they can fight heart disease by sending them the Go Red Heart Health Kit.
- **Go Red BetterU**: Make over your heart by signing up for a free 12-week online nutrition and fitness program. Get step-by-step guidance on becoming healthy, download the BetterMe Coaching Tool to help you stay on track, and connect with others on the BetterU Forum.
- **Go Red Heart Match**: You don’t have to fight heart disease alone. Give or receive one-on-one support from other Go Red women.
- Details on how to join in on **National Wear Red Day**: You can “Go Red” by wearing a red shirt, red dress, red tie or even red lipstick on the first Friday in February.
- **Go Red Heart CheckUp**: Use the online tool to learn your heart disease risk and receive a customized plan to live heart-smart.