



Message from the President



Greetings, fellow Credit Professionals. I hope you all had a safe and happy holiday season, and are continuing to "Talk it Up for CPI". Did you include your CPI membership efforts in your list of New Year's resolutions?

Dr. Donald Wetmore, one of my favorite online guru's, has these four suggestions for making New Year's resolutions stick, and I've taken the liberty of adding some comments on how we can relate them to CPI.

1. Quantify it. *Sometimes we are just too vague about what we want. Therefore, a resolution such as, "I want to lose weight this year" will probably fail. It is too vague. How much weight? Be specific. What would your ideal weight be, less what do you weigh now, is what you are going after. It is not enough to resolve that: "I want enough money in the bank this year". Quantify. What specific amount would soothe your soul? Don't just say "We need to increase our membership". How many members do you want to bring in? How many people are you going to contact every day to make that happen?*

2. Set a deadline. *Resolutions that are to be achieved "as soon as possible" wind up in the heap of "Someday I'll". Deadlines are commitments. Without a deadline as a self-imposed pressure point, getting started is easily postponed. You see, deadlines put us on the line and define when failure occurs. Deadlines also help us to break the resolution down into little bite-sized pieces. For example, if your goal is to lose 25 pounds by June 30, that translates into approximately 4 pounds per month, one pound per week, or a daily reduction of caloric intake (or an increase in daily caloric burn) of just 500 calories per day. Now that's manageable. 500 calories a day is easy to achieve. 25 pounds seems like a leap across the Grand Canyon. Until we quantify our goal, set a deadline, then break it down to its daily requirements, the resolution will forever seem unattainable. We set a goal of 750 members by June 8. We know that some associations disbanded and some members didn't renew, so basically we need about one new member for every two renewing members. That's manageable, and actually exceedable, if every member is making an effort every month.*

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3. Change one or two things at a time. We generally do not like change in the first place. We seek the familiar and avoid the strange. The more change you put yourself through, the higher the probability your campaign will collapse. Focus in on one or two of the more important resolutions you seek to accomplish this year. When you achieve one or the other, start on the next one. Don't overwhelm yourself with too much change all at once. Have a plan for achieving your goals, and focus on the individual steps. You can't install a new member until they've applied to join. They won't apply to join until they've been to a worthwhile meeting and understand the benefits. They won't come to a meeting until you invite them. You know that everyone you invite won't be able to make it, so play the numbers, and set a goal to contact at least one new prospect per day...and to get at least one new person to every meeting. Imagine if every member did this!! And don't overlook the importance of keeping your current members interested and involved. Get everyone's input to keep your local association the best that it can be.

4. Be realistic. There's just something about the start of a new year that gets us all wound up for changes in our lives, sometimes extraordinary and unrealistic changes. We become much like the child in the candy store whose eyes are bigger than his stomach. Be realistic. You can only accomplish a certain amount

within a period of time. Don't saddle yourself with unrealistic resolutions that will only spell failure later on. Keep in mind what you can control...the number of people you contact each week, and the quality of your follow-up with interested parties. Remember that this is the essence of good networking...reaching out to help others. We don't just draw from the well, we consistently help fill the well, and the more you give back, the more you receive in return.

We have a perfect opportunity to promote Credit Professionals International with Credit Education Month coming up in March. Use this as a vehicle to spread the word about CPI in your community. Remember to report your activities to Education Chairman Joyce Jones or the Corporate Office afterwards so we can share your successes in our next issue. You can download the artwork and find additional information at our website. Remember that this issue of the Connection is just going out to the local Presidents and individual members-at large and direct members, so please make copies for your local association members. As always, let us know if there is anything your International officers can do to assist you in your educational or membership efforts, and thank you for your support of Credit Professionals International.

Carol D. Neal, CCBE/MPCE
president@creditprofessionals.org

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A Great Tool for Credit Education Month

This 73-minute audio program is designed to help consumers develop a healthy financial life. Use it to present seminars. Give copies to public libraries and schools for consumer education.

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Send your order to: Credit Education Resources Foundation, 525-B N. Laclede Station Road, St. Louis, MO 63119. Phone: 314/961-0031. Fax: 314/961-0040. Email: creditpro@creditprofessionals.org. Payment, by check or credit card (MasterCard, Visa or Discover), must accompany orders.

MEMBERSHIP FORUM

HAPPY NEW YEAR!

It's January and it is time to get back to business with CPI. I am talking about membership. If your local association has not sent in all of your dues, do it ASAP. Membership is on everyone's mind. We need to keep the members we have besides getting some new members.

I have two membership successes I would like to share. Both of these locals used President Carol's theme "Talk It Up for CPI" to increase their membership.

Poetaello, ID gained four new members while Jackson, MI gained two members. Both associations said that first your local association has to have excellent programs planned for the year. Then invite prospective members who would benefit from the speaker's presentation. Once you have achieved that, use President Carol's theme and talk to anyone that may be interested in that topic. Each month publicize your association and program in your daily newspaper. Make sure to have membership brochures and applications available at your meeting. If they do not join at that meeting, follow up with them again about joining CPI.

Jackson said another important issue was to be very flexible with your members. As we know, some of our members are paying their own dues. Their local has payment plans to help those members pay their dues. They are also flexible with their members in the fact that some of them may not be able to make all of the meetings.

It does take time, effort, determination and follow up and it is well worth the effort.

So, I hope these successes will make you start thinking about increasing your membership in your local association.

If you need incentive, remember this year's membership campaign. Five dollars for every member who recruits a new member and four drawings for \$50.00 each for the locals and districts retaining and increasing membership. The campaign ends May 31, 2005.

Linda Bridgeford, CCCE/MPCE
International 1st Vice President
Membership Chairman

www.creditprofessionals.org

YOUR INFORMATION SITE

News:

2005 District Conference Schedule
2005 International Conference Schedule
and Registration Form

Member Information:

Exclusive "Members Only" Section

Education Information:

2004/2005 Education Manual Topics

...and much, much more

The Main Thing to Remember Is That the Main Thing Is the Main Thing

By Bill Russell
Russell Communications
Little Rock, AR



Life in the 21st century is certainly more complex than ever before in our history. Yet the irony is we have more tools and devices designed to simplify our lives than ever before: computers, cell phones, pagers, digital cameras, and the increasingly accessible internet highway.

It seems that as soon as we adapt to any of these new technologies one more comes into the workplace or home scene with which we must cope. It is no small wonder, then, that we can become vulnerable to focusing excessively on “how” at the expense of “what” in life.

Now I won't deny that increasing age and tenure can also contribute to this sense of frustration in the technocratic age. There are days at my desk when my mind feels like it is in mental pause and there are times at the gym when pumping iron feels more like pumping rust.



Nonetheless it seems clear to me that time itself is a precious commodity because there just doesn't seem to be enough of it with which to get all our tasks completed. It is in this environment that we can often lose focus of what is important.

Someone once said that the most wasted thing in the world is something done efficiently that ought not to be done at all. Perhaps in all the emphasis on “how” versus “what” we can become victims to this adage in

the sense that we can easily lose the human touch when interacting with human lives. Yes, distractions abound in this world of complexities but if we can maintain our focus and our attitude good things also abound.

Each of us is truly blessed more than we might imagine. If you have money in the bank, you are among the top 8 percent of the world's wealthy. If you wake up with more health than illness, you are more blessed than the one million who won't survive this week. If you have never experienced the fear of battle, imprisonment, and starvation, you are ahead of 20 million people in the world. If you have food in the fridge, clothes on your back, and a roof over your head, you are richer than 70% of the world and, if you can read this, you are more blessed than two billion people in the world who cannot read anything.

I don't pretend to have all the answers to life's mysteries or happiness. I'm still trying to figure out why they call someone who handles money a broker! But I do suspect that just maybe a large part of happiness and motivation has to do with an attitude of gratitude and a focus on the main thing.

Submitted by Dorothy Utley, a member of the Greater Little Rock CPI in District 7.



Federal Update

Supreme Court Limits “Truth in Lending” Damages

The U.S. Supreme Court has tightened the limits on damages consumers can get from companies that violate the federal Truth in Lending Act.

In a November ruling, according to news reports, the court said the 1968 consumer-protection law generally caps damages at \$1,000 when the customer hasn't proven the amount of actual harm.

The 8-1 ruling overturned a \$24,192 award to a man who won a lawsuit against a Virginia auto dealership over a loan for a used truck.

The ruling may save lenders as much as \$1.1 billion a year in increased damage awards on new auto loans and \$1.8 billion a year on used-car loans, according to a brief filed by the American Bankers Association and two other industry groups.

The ruling on the \$1,000 limit will apply to most loans and credit other than home mortgages. For mortgages, the damage limit is \$2,000.

The Truth in Lending Act requires lenders to disclose the terms for such credit transactions as mortgages, home-equity loans, auto loans and credit card purchases. Borrowers can sue over violations.

FTC Charges Credit Counselor with Defrauding Debt-burdened Consumers

The Federal Trade Commission (FTC) has filed a complaint in the U.S. District Court in Massachusetts charging Better Budget Financial Services (BBFS) with defrauding consumers out of hundreds or thousands of dollars each, causing many to be sued by their creditors and forcing others into bankruptcy.

BBFS billed itself as a debt negotiation company and

promised to reduce consumers' debt, negotiate with creditors, and stop harassment from debt collectors in exchange for various fees. But, according to the FTC, the firm instead pocketed the fees and plunged consumers deeper into debt.

The court has entered a temporary restraining order halting the defendants' illegal business practices, freezing their assets, and appointing a temporary receiver pending a preliminary injunction hearing.

The FTC notes that it files a complaint when it has “reason to believe” that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The complaint is not a finding or ruling that the defendant has actually violated the law. The case will be decided by the court.

FTC Files Complaint against Illinois Collection Firm

The FTC has filed a complaint in U.S. District Court against Illinois-based Capital Acquisitions and Management Corporation (CAMCO), a subsidiary of RM Financial Services of Georgia. The action led to the court shutting down the firm indefinitely while a court-appointed firm leads an investigation.

In March 2004, CAMCO was ordered to pay a \$300,000 penalty for violating the Fair Debt Collection Practices Act.

Since that settlement, the FTC has received more than 2,000 consumer complaints about CAMCO's illegal tactics—three times more than the agency received in the two years before the settlement.

In papers filed with the court, the agency charged that as much as 80 percent of the money CAMCO collects comes from consumers who never owed the original debt in the first place.

Companies Make It Easy for Consumers To Get Free Credit Reports

Equifax, Experian and TransUnion have jointly set up a centralized credit report request service to make it convenient for consumers to obtain their one free credit report every 12 months, as required by the Fair and Accurate Credit Transactions Act (FACT Act).

They have established the annualcreditreport.com website for the exclusive use of consumers requesting their free credit.

Annualcreditreport.com is now available to consumers in Western U.S. states (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming).

Consumers in the remaining U.S. states will have access begin as follows: Mid-Western states, March 1, 2005; Southern states, June 1, 2005; Eastern states and U.S. territories, September 1, 2005.

Consumers can request, view and print one, two or all three of their free credit reports via the secure Internet site.

Equifax, Experian and TransUnion caution consumers not to provide their personal information to any other company or person in connection with requesting their free annual credit file disclosures under the FACT Act.

The service also offers consumers the option of requesting their credit reports by telephone or by mail. Forms to request credit reports by mail can be printed from the site. Telephone and mail requests will be processed within 15 days of receipt.

The contact information is as follows:

Internet: www.annualcreditreport.com

Toll Free Number: 877-322-8228

Mailing Address:
Annual Credit Report Request Service
P. O. Box 105281
Atlanta, GA 30348-5281

New Jersey Case May Set Precedent for Hospital Debt Collection

A New Jersey hospital's breach-of-contract lawsuit against a union benefit plan may prove to be a landmark case for hospitals attempting to collect debts from managed care plans.

A major issue involved is the right of hospitals to pursue these types of payments in state courts rather than in the federal arena.

Although Pascack Valley Hospital in Bergen County, NJ, initially filed the lawsuit in a state Superior Court in the county, the United Food and Commercial Workers International Union Local 464-A had it moved to a federal district court. The rationale was that the Employee Retirement Income Security Act of 1974

(ERISA)—the federal law regulating all types of pension plans—pre-empts any claims made against benefit plans.

The hospital, however, won a key victory when a three-judge federal appeals court panel ruled that the hospital could pursue its claims in state court as a simple breach of contract rather than in a federal court under ERISA.

If the hospital wins in court, the ruling could open new avenues for hospitals to collect past due payments not only from union plans but other managed care plans.

Michigan Credit Unions: Making a Difference

By Kathleen M. King and Melissa Myers-Tassell

Credit Awareness

Approximately in 1998, Michigan Credit Unions took an active role in credit awareness not only for their member's needs, but their staff as well. A cooperative group of dedicated employees formed task groups in different Credit Union Chapters located throughout the state. The objective of these groups was to network with other credit unions facing the same situations, that of members getting in over their heads with debt. Also, the staff members were frustrated with the limited options available to members and how to help them. It was then determined that the focus of the Task Forces would be bankruptcy awareness and education.

Ideas become Reality

The Kalamazoo Area of Credit Unions Chapter formed its Bankruptcy Task Group in April 2002. Collectors and Loan Officers from area credit unions gathered at this first meeting to discuss challenges we were facing in our community and, from there, what we could do as a group to bring about awareness and alternatives to bankruptcy. The task force continues to meet on a monthly basis to motivate and educate our own personal growth, as well as that of the community.

Vision Statement

"To prevent and educate against bankruptcy in our community"

First step was to educate staff:

1. Lenders—How to "bankruptcy proof" new loans and to recognize the warning signs of impending losses.
2. Collectors—How to actively pursue

reaffirmation agreements once a bankruptcy is filed. How to identify fraud and when to litigate.

3. Front-line staff—Recognizing these positions as the "watch dog" staff. They see the problems many times before the collection department or loan officers. Helping them to know when to bring situations to the attention of other staff or when to make recommendations for further assistance. (i.e.: budget/credit counseling, debt management, and possible loan workout).

Second step was to educate our members:

1. Offering workshops on credit awareness and financial education.
2. Explaining to members the dangers of "high risk" loans such as debt consolidation, also credit card companies as predatory lenders.
3. Offering budget/credit counseling before it's too late. Convincing them there are alternatives to bankruptcy.
4. Educating the members on the long-term effects of filing bankruptcy.

What Comes Next

Since then, our group has planned and implemented two educational programs each year for our members and the community. The topics have included Financial Survival, Shopping on a Shoestring, Understanding your Credit Report, Budgeting Basics, and Credit Score Enhancement. All workshops have been well-attended and received favorable comments. Future program topics that have been discussed are credit and debt education for teens, financial planning,

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credit card downfalls, long-term effects of bankruptcy and update on pending law changes.

Our most successful endeavor has been a cooperative relationship formed with a local debt management company called American Debt Counseling. All of the participating credit unions in the task force routinely schedule one-on-one appointments for their members on sight. American Debt Counseling has agreed to come to each credit union two times per month and conduct individual credit counseling sessions. This arrangement has been favorable to the members because it allows for convenience and full-service from their credit union. The members understand this to be a viable option to filing for bankruptcy protection.

We can't forget to mention the positive effects of networking. Our group possesses a wealth of knowledge and expertise in a wide variety of credit related fields. By pooling these resources together, we have developed a group of mentors and trainers at no cost. This cooperative has allowed for continued staff training and individual personal growth. At each monthly meeting, we consistently discuss situations occurring within our courts, repossession companies and other influences in our communities such as the "payday loan" industry. We continue to build allies with the local bankruptcy attorneys, allowing for open channels of communication and preventing further losses.

What's Ahead

While continuing our efforts as in the past, we acknowledge the growing trend in bankruptcy to be with the youth of America. The highest increase in cases filed is the college-age debtor. Our focus for the year 2005 will be addressing this problem head-on. We recognize a lack of education in personal finances not only in the home, but in schools. We are currently brainstorming for ways to administer credit awareness education in our community. As a group, we need to stay proactive, rather than reactive. We feel it is crucial to help our future members make strong financial decisions, rather than learning from the mistakes and mismanagement of their money. Our group is confident that we can make a difference by working together with the same objective in mind.

Kathleen M. King is Budget Counselor/Loan Servicing Manager at Citizens Credit Union in Michigan. Melissa Myers-Tassell is a Licensed Credit Counselor with American Debt Counseling in Kalamazoo, Michigan. She joined as a Direct Member of Credit Professionals International in November 2004. Both Kathleen and Melissa are members of the Kalamazoo Area of Credit Unions Bankruptcy Task Group.



International Conference Credit Professionals International

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Registration materials are in the mail. Or visit www.creditprofessionals.org to download.

LIVING MEMORIALS AND CONTRIBUTIONS

MEMORIAL—A lasting tribute to the memory of a deceased relative, friend or CPI member.

SALUTE—A thoughtful way to remember achievements, special occasions, birthdays, anniversaries, to say "Thank You" or to give recognition for an event that is special to you.

CONTRIBUTION—A monetary donation given by an individual or group to support the activities of Credit Professionals International or the Credit Education Resources Foundation.

All donations are entered into our permanent memorial record. An acknowledgement, without reference to the amount of the gift, is sent to the person you designate.

The memorials and contributions listed below are those received since the last issue of *The Credit Connection*.

LIVING MEMORIALS

In Memory Of:

Edith Hopper
(Mother of International
Second Vice President
Joyce Jones, CCCE/MPCE)

Roger Lemons
(Son of Betty Stokes)

Given By:

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WALK-A-THON NEWS

Credit Professionals International of Tennessee had an auction during their State Conference to raise money for the International Walk-A-Thon.

Several items were auctioned and \$610.00 was raised for the Walk-A-Thon, according to Anita Dingleline, MPCE, Tennessee Conference Chairman.

Create Clear Expectations

By Peggy L. McNamara

One of the most important things that you can do to help your organization be as effective as it can be, is to offer your team of people clear job descriptions and expectations.

Running a business is not easy; whether it is a small company or a Fortune 100 corporation, there consistently seems to be challenges that arise and some of them are due to people not necessarily understanding what is expected of them. In today's ever-hectic pace of business, clear communication is more crucial now than ever.

Some tips to help:

- Distribute written job descriptions. If this was not done upon hiring of the individual, bring it out during the review process. It is not a bad idea to do a periodical review of it and update as needed or to help the individual see areas for growth and new understandings. This can also help if there are internal struggles taking place due to confusion about the leadership structure. To some people, hierarchy, and where they fit in it, is important. Even though it may seem petty to the new leader of today, some structure is still a good idea to relate because of the different kinds of personalities within your group.
- Communicate what you expect of those who work with, and for, you. Instead of simply asking for a task to be completed, and then getting upset because it wasn't done the way you had hoped, take a few moments to truly clarify what the desired end result is. Do not use vague words like recently, soon or always. This does not state that you need to be anal about every detail and how you want things done. However, in order to have your team working efficiently, it is important that they have a general idea of your expected outcome and timeline.

- Take the needed time to work with the individuals who are not meeting your expectations. It is not only important for you to communicate initially what you expect, but if you see a consistent pattern that is not what you are looking for, take the time to adjust it. Don't ignore it and let it continue; if you do, you'll either be the one redoing the project or getting consistently frustrated. Managing people takes energy and part of that role is to help people be as effective as they possibly can. Of course, the desire is their responsibility; the process, though, could be part yours.

- Share the vision...often. As a leader, it is expected that you have a vision for your business and part of your role is to make sure that the people around you do not forget it. The chaos of today's workplace allows big picture dreams to get lost-in-the-shuffle. Do your part to consistently share what you stand for, what the goals of the organization are and how they personally fit in with that. You are the cheerleader.

Utilize these four skills and you'll see that they work. Clear expectations are crucial to having an effective, profitable organization.

Peggy L. McNamara is the author of "My Tender Soul—A Story of Survival." She publishes a monthly e-zine, "Perpetual Life Management" and is President of the Minnesota Chapter of the National Speakers Association. She can be reached at 651-438-2656 (direct phone); 651-438-2694 (fax); 888-269-7771 (toll free); or <http://www.peggymcnamara.com>

The Missing Link in Teamwork and Customer Service: Effective Listening

By Priscilla Richardson



What's the most valuable commodity in any business today? It's not money. Anyone can go out and borrow a ton of it. It's not equipment or software. Anyone with money can buy the same things.

The most valuable commodity is information. For example, your customer list. Can I come in and take it? Buy it? Why not? Without your customer list you'd have to start all over again. You'd go from being in business to wanting to be in it. Big \$\$ difference.

That leads to the most valuable asset in any organization: you. It's people. You use your own information obtained through education and experience. You use company information to bring in and service business. With information, you make the profits to pay salaries and bonuses.



Then comes the question: how do you as an individual or you as a company representative, get your information? Reading? Good, the more you read the more you'll know. But most of us get a lot of our every day, work-a-day information through listening. Co-workers on your team talk to you. Your customers talk to you. You listen.

The big problem with getting information through listening? Everybody—and that includes you and me—forgets 45% of what they hear. That means if

you're working in a team and basing work decisions on what you heard, you can be working with HALF of what you need. If you're working with a customer, basing price quotes and recommendations on what you heard, you can be working with HALF of what you need.

How do you take care you're using 100%? With active listening. How do you listen actively? By:

- Taking notes.
- Asking questions.
- Avoiding multi-tasking.
- Killing your assumptions about people and situations.
- Paying attention while listening instead of planning what you're going to say.

Remember the most valuable commodity in any business: information.

Remember to listen more actively. Starting right now.

Communication consultant Priscilla Richardson speaks & trains on all communications topics. For more information on how she can help your business or association reach greater productivity, email her at Guru@WriteSpeakforSuccess.com.



CREDIT EDUCATION MONTH

MARCH 2005

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