

Consumer News & Views

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This issue is sponsored by



and



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Credit Score Errors Can Cost You Money! A comprehensive study of consumer credit reports by the Federal Trade Commission found that the accuracy of consumers' credit files is better than some surveys had indicated, but worse than the industry has claimed.

According to the FTC, 26% of the people interviewed thought they had mistakes on their credit reports that would impact their credit scores. In reality, per the FTC's new study, 13% actually did. This is considerably lower than the 25% rate of credit report mistakes the watchdog group U.S. PIRG found in a 2004 study. That same study found that a whopping 79% of consumers' credit reports contained "either serious errors or other mistakes of some kind."



Thomas Hinton, president of the American Consumer Council, a non-profit consumer education organization with over 135,000 members, said, "The FTC's study was both accurate and reflective of the data we gather from our members who have problems with their credit reports." Hinton added, "On the average, we find that about 6% of our members have ongoing issues with inaccurate credit reports or errors made by the major credit reporting agencies. While this figure continues to drop, it's still a significant number of consumers who are negatively affected by credit bureau mistakes."

According to the FTC, about 5.2% of consumers are hurt because of mistakes and negative notations on their credit report. In those cases, consumers may pay a higher interest rate on auto loans and mortgage loans. If people know better, they could have been paying less each month for their cars.

The Consumer Data Industry Association (CDIA), the trade group for the credit bureaus, issued a release saying that the FTC's study verifies the accuracy of the information in people's credit reports. Previously, the group cited industry-backed research that claimed an error rate of less than 1%.

First Commonwealth Federal Credit Union Takes the Lead in Financial Support for Lehigh Valley Consumers.



Better Than Other Financial Institutions.

First Commonwealth, based in the Lehigh Valley of Pennsylvania, provides a full line of financial services. We invite you to join First Commonwealth! From a basic savings and checking account, you can create your personal package of credit union services. Credit union services such as HomeLink online banking, TellerPhone audio response and VISA Check Card provide the convenience that your lifestyle demands. Call: 610.821.2403 or visit us online at: <https://www.firstcomcu.org/>

First Commonwealth is Safe, Sound and Secure. Your deposits are safe at First Commonwealth Federal Credit Union. Our credit union has had a consistent and stable financial history. In addition, our member's accounts are insured up to \$250,000 by the National Credit Union Share Insurance Fund.

First Commonwealth's Mission Statement

FCFCU is a full-service financial cooperative based in the Lehigh Valley. We are committed to:

- Promoting the financial well-being of all our members/owners according to their needs and expectations.
- Offering a rewarding employment experience to our employees with fair compensation and challenging work.
- Ensuring the continued financial stability of our institution.



The American Consumer Council and the Pennsylvania Consumer Council are pleased to recognize First Commonwealth Federal Credit Union as a sponsoring member.



Consumer Financial
Protection Bureau

CFPB Creating New Rules for Mortgage Loans. The Consumer Financial Protection Bureau announced it has plans to publish plain language guidance for mortgage lenders, work with other federal regulators and increase consumer outreach efforts as new mortgage regulations are implemented over the coming year.

The agency last month released a slew of final mortgage rules, many of which are scheduled to go into effect in January 2014. The CFPB regulations address mortgage servicing, mortgage loan originator compensation, high-risk-mortgage appraisals, ability to repay requirements, escrow accounts and "high-cost" mortgages.

"Our plan is to work with the mortgage industry to ensure that the CFPB's new rules are implemented accurately and expeditiously," CFPB Director Richard Cordray said in a release. "Both consumers and industry will win when the new rules are understood, applied, and carried out evenly and effectively. Mortgage borrowers, who have dealt with much heartache since the financial crisis, deserve this level of attentiveness," he added.



ACC's Friend of the Consumer Award Recognizes Outstanding Businesses.

Is your business consumer-friendly? Does your business deserve greater recognition for its service to consumers? If so, you should apply for the American Consumer Council's Friend of the Consumer Award.

Throughout the year, ACC presents its "Friend of the Consumer" Awards. This prestigious award recognizes manufacturers, retailers, and other businesses that produce or sell products in the United States that meet or exceed federally-mandated standards and are touted by consumers as "consumer friendly."



Each year, ACC awards numerous "Friend of the Consumer" Awards to deserving companies and organizations because they have "demonstrated a commitment to American consumers by providing a specific product or service that fosters

consumer confidence and market acceptance."

To apply for the "Friend of the Consumer" award, complete the online application and return it to ACC with the application fee. Applicants will be notified within 5 days of receipt of their application. Thereafter, a panel of independent judges will review your application and make a formal recommendation within 45 days of receipt of your award application. For more information, visit: <http://www.americanconsumercouncil.org/awards.asp>

ACC Annual Meeting Scheduled for June 21st in San Diego. The annual meeting of the American Consumer Council will be held on Friday, June 21, 2013 at the Rancho Bernardo Inn in San Diego, CA. the meeting will begin at 10:00 am PST. Members are invited to attend the meeting. There is no registration fee to attend the annual meeting which typically lasts one hour.

Guest rooms are available at a special rate at the Rancho Bernardo Inn. For information and rates, please call: 877.517.9340 or visit the Rancho Bernardo Inn website at: <http://www.ranchobernardoinn.com/accommodations/>

At the annual meeting, the election of new members of the Board of Directors will be announced and those new Board members will be seated. Also, the annual meeting will discuss business matters pertinent to the management and operations of the American Consumer Council.

Currently, the following members have qualified for nomination to the ACC Board of Directors for a three-year term. Malcolm Franks, Solana Beach, CA; David Romanski, Esq., Moraga, CA; Mary Schepkin, Tallahassee, FL; and, Margaret Loftus, Havertown, PA.

Retiring Board members include: Claudio Stemberger; James Bastis and Gary Plantz. Current Board members include: Thomas Hinton; Jean M. Greer, and Megan M. Hinton. For information, please contact ACC at: info@americanconsumercouncil.org

Green CSM Certification Accepting Applications for 2013 Spring Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green CSM Certification**. Applications for the 2013 Spring cycle are now being accepted through March 31, 2013.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

