

# Consumer News & Views

Published twice monthly

July 1, 2012



*This issue is sponsored by*

**Aspire**  
FEDERAL CREDIT UNION  
Your Dream. Our Purpose.

and



## In this Issue...

- **Consumer Confidence Sags Again for 4th Straight Month.**
- **Aspire Federal Credit Union Serves the Needs of Mid-Atlantic Consumers**
- **Open Road Lending Recommended for Auto Loans**
- **Credit Card Companies Get Graded by Federal Agency.**
- **Apply for the 2012 Green C<sup>SM</sup> Certification Program.**

## Consumers and Congress Push Rental Car Companies to Honor Recalls.

Consumer Confidence Sags Again for 4th Straight Month. Confidence among U.S. consumers dropped in June for a fourth consecutive month as mounting concern over jobs and incomes dimmed the outlook for spending. The Conference Board's Consumer Confidence Index® fell to 62, a five-month low, from a revised 64.4 in May, according to figures from the New York-based private research group showed.

According to Bloomberg, the slide in confidence raises the risk that the slowdown in hiring revealed by last month's jobs report will cause households to retrench, restraining the spending that accounts for about 70 percent of the economy. The weak labor market is overshadowing the benefit of the lowest gasoline prices in five months, one reason why companies like Ford Motor Co. (F) are keeping an eye on attitudes.



“The employment situation continues to weigh on consumer minds,” said Yelena Shulyatyeva, a U.S. economist at BNP Paribas in New York, who correctly forecast the confidence index. “Usually consumers react to falling gasoline prices by increasing their spending, but this time around it looks like they’re a little bit cautious.” Thomas Hinton, president of the American Consumer Council, a large non-profit consumer advocacy and education organization stated, “This modest decline reflects the sentiments of too many consumers who remain guarded about their short-term economic prospects. We want to see a meaningful recovery. Until Congress gets in line with the president’s proposals, consumers will sit on the fence and not spend money.”

Hinton added, “The name of the game continues to be job creation, investment in small businesses through the availability of more loans and a meaningful solution to mortgage problems and foreclosures.”

#### **Fed’s Outlook:**

Policy makers also cut their expectations for growth in 2012 to a range of 1.9 percent to 2.4 percent, down from an April prediction of 2.4 percent to 2.9 percent. The forecasts have been lowered in five of the six economic projections since January 2011, when most central bankers predicted the economy would grow 3.5 percent to 4.4 percent in 2012.



One of the bright spots for the consumer has been falling gasoline prices. The price of a gallon of gas has declined 54 cents since reaching a high of \$3.94 in April, according to AAA, the nation’s biggest auto group.

*The American Consumer Council and the New Jersey Consumer Council welcomes Aspire Federal Credit Union as a Sponsoring Member*



About Aspire: Aspire Federal Credit Union, originally known as FAA Eastern Region Federal Credit Union, was founded in 1948 to serve a small group of Civil Aeronautics Administration employees (currently the Federal Aviation Administration).

Our Credit Union has come a long way since those humble beginnings, which included seven people who pooled together shares of \$5.00 each to initiate the original charter. Today, Aspire FCU is a \$175 million dollar credit union, serving approximately 20,000 members within many diverse employee groups throughout the northeastern United States. Aspire FCU is a not-for-profit financial cooperative, which means all earnings at the end of the year are returned to our members in the form of better, low-cost financial services.

The decision to change our name to Aspire Federal Credit Union was made because we serve more than just the employees of the Federal Aviation Administration. The name Aspire means to "soar," which is a reflection of our heritage, while at the same time represents our members' dreams and aspirations.

As our tag line states, "Your Dream. Our Purpose," the employees at Aspire FCU are dedicated to helping make your financial goals and dreams a reality. The cornerstone of our existence continues to be our "member first" philosophy. Whatever it is that you aspire for, we want you to believe you can get there and we're going to help you along the way.

**Join Aspire FCU Today:** Membership is available to members of the American Consumer Council and employees of participating organizations, their immediate family members and their household members. If you do not meet these requirements, you may still be eligible to join. Members of our partner associations are immediately eligible for Aspire FCU membership. Not sure if your employer is an Aspire Participating Organization? Call us 24/7 at 1-888-322-3732 for more information.



#### **Who is OpenRoad Lending?**

OpenRoad Lending is your auto loan specialist assisting you in the finding the best auto loan terms for your new or used car purchase or by helping you save money by refinancing your existing vehicle. Headquartered in the Dallas/Fort Worth area and serving customers throughout the country, our staff has helped tens of thousands of consumers just like you get into the car or truck of their dreams. With OpenRoad, you are in the driver's seat when it comes to the full details of your loan. No hidden costs, no application fees – just a great rate, easy process and award-winning customer service experience to help you along the way.

#### **What is the OpenRoad eCheck?**

Similar to a personal check, the OpenRoad eCheck allows you to finance the purchase of your next vehicle as if you had cash on hand. If you are refinancing, OpenRoad will pay off your existing loan so you can enjoy a lower monthly payment!

#### **How can I apply?**

Simply complete our easy and secure [online credit application](#). For any questions contact our Loan Care Agents toll-free at 888-536-3024.

---

#### **Credit Card Companies Get Graded by Federal Agency - CFPB.**

Consumer advocates cheered and the banking industry fumed when the Consumer Financial Protection Bureau (CFPB) made its credit card complaint database public in June. Banking analyst Ken Thomas got to work. Thomas sifted through this mountain of data and crunched numbers to figure out which credit card companies are the best — and the worst — when it comes to satisfying their customers.



The gold star goes to USAA, followed by HSBC. USAA has only 90 complaints and HSBC 171 — the fewest complaints in proportion to the size of their customer bases, respectively. Discover, American Express and JPMorgan Chase, in that order, round out the top five.

*Who's at the bottom of the list?* That dubious distinction goes to SunTrust. The large regional bank has the highest rate of complaints against it, according to Thomas's research. It's surprising, he notes, given that SunTrust is a relatively small player among the titans of the credit card industry. Still, it managed to rack up 45 complaints — half as many as USAA, an issuer with a footprint many times SunTrust's size.

In the worst-to-first list, TD Bank is number two behind SunTrust, followed by GE, Capital One and Barclays, in that order.

Thomas Hinton, president of the American Consumer Council, a large non-profit consumer advocacy and education organization stated, "We applaud the work of Ken Thomas and the CFPB for making this information available to consumers. People have a right to know which credit card companies perform to consumers' expectations and which don't."

According to Ken Thomas, "This is the first comprehensive analysis of 13,502 credit card complaints filed with the Consumer Financial Protection Bureau for the second half of 2011 and most of first half of 2012." (Right now, the CFPB's public database contains only the complaints that have been filed since June 1. Thomas got the whole batch of complaints by filing a Freedom of Information Act request, and calculated banks' market share by looking at data they provide to regulators.)

The 18 banks with more than 45 complaints each in his analysis make up 98% of the total number of complaints in the CFPB's database. Capital One and Citigroup, the two banks with the highest number of complaints, together comprise 38% of all complaints.

But looking at this number alone doesn't give a clear picture of how good a bank or credit union is at responding to customer complaints because it doesn't take into account how big the companies are, Thomas says. For instance, although Citigroup accrued 2,378 complaints — a bit less than 18% of the total — it's also the biggest issuer, with roughly 20% of the credit card market, according to Thomas's research.

"It only makes sense that the biggest credit card issuers will have the most complaints by the law of averages," he points out. Capital One, which racked up the highest number of complaints with 2,713, has about 8% market share — a little less than half of what Citigroup has. This is why Capital One comes in third on Thomas's worst-to-first list, while Citigroup is down in 12th place.

These are the nuances American consumers should understand and keep in mind when evaluating their credit card choices, Thomas says. "This is just another reason why we need the new bureau. Not just for consumer protection, but also education."

---

## Green C<sup>SM</sup> Certification Accepting Applications for 2012 Summer Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green C<sup>SM</sup> Certification**. Applications for the 2012 Summer cycle are now being accepted through August 31, 2012.

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 C<sup>SM</sup> Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

