

Consumer News & Views

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Is the American Economy Finally Back? Well, that's the \$64,000 question! The answer depends on who you ask. According to consumers, there's good news mixed with some disturbing indicators including housing and the rising price of gasoline.



The index of leading economic indicators grew 0.4% in January. This represents the fourth consecutive monthly gain in the LEI, which is a weighted gauge of 10 indicators that are designed to signal business cycle peaks and troughs.

Among the 10 indicators that make up the LEI, 7 made positive contributions in January: interest-rate spread, average weekly manufacturing hours, stock prices, leading credit index, ISM new orders index, building permits, and manufacturers' new orders for consumer goods and materials.

There were three negative contributors: consumer expectations for business conditions, initial claims for jobless benefits, and manufacturers' new orders for non-defense capital goods, excluding aircraft.

Thomas Hinton, president of the American Consumer Council, stated, "Consumers are beginning to show signs of modest confidence in America's economy despite the high unemployment rate, the sluggish housing market and the nagging foreclosure mess that continues to haunt sustained confidence and growth." Hinton added, "American consumers are beginning to see some light at the end of a long, dark economic tunnel that has crushed consumer confidence and substantially eroded their net worth over the past four years."

The American Consumer Council's internal economic forecast indicates that with the exception of home foreclosures, high consumer debt and gasoline price increases, the worst appears to be over. ACC's Hinton noted, "It's obvious that consumers are feeling a bit more upbeat, but we hesitate to use the word *optimistic* just yet."

Attorneys General Reach Bank Settlement to Ease Foreclosure Pains. What's Next?

There's some cause for celebration among homeowners who lost their homes during the recent foreclosure mess. But, according to the American Consumer Council, it's a hollow victory because most affected homeowners will not get their homes back and they will only receive a few thousand dollars compensation to ease their heartaches and financial setbacks caused by faulty practices of big banks who serviced their mortgages.

Five major banks -- Bank of America, Citigroup, J.P. Morgan Chase, Wells Fargo and Ally Financial -- have reached a \$25 Billion settlement with 49 state attorneys general for their alleged wrongdoing in the "robo-signing" practice by executives who hadn't bothered to check the mortgage details. They also claimed these institutions—Bank of America, Citigroup, J.P. Morgan Chase, Wells Fargo and Ally Financial—added unnecessary fees such as overpriced insurance.

Under the settlement, the banks agreed to provide roughly \$17 billion in loan modifications and \$3 billion in refinancing relief that liberal critics note may never happen. Actual foreclosed borrowers get \$1.5 billion in cash, and \$3.5 billion in cash gets passed on to state and federal governments for unspecified consumer-protection and foreclosure programs.



From a consumer perspective, the AGs' mortgage settlement is an effort to provide an additional economic stimulus to housing without going to Congress. Most of the money may go to homeowners in some form, but there is also a multibillion-dollar handout to cash-strapped states.

As Professor David Skeel of the University of Pennsylvania noted, "Throughout the financial crisis, starting with the bailouts of Bear Stearns and AIG, and continuing with the auto bailouts, the government has assumed that normal rules and restrictions, not to mention constitutional checks and balances, don't matter. So far it has prevailed, but at considerable cost. By cutting corners to achieve desired ends, government intervention has created clouds of uncertainty that will linger long after the crisis has passed."



State Department Federal Credit Union is a Leader in Helping Consumers Understand How to Invest and Get Loans!

In this day and age when financial institutions have become notorious for slighting customers and treating them like parts on an assembly line, the professional staff of the State Department Federal Credit Union is earning kudos and strong words of praise from consumers. One consumer told us that "Dealing with the SDFCU is a pleasure because of their customer-friendly staff." Another consumer cited the positive experience she had when adding family members to her existing account. Another consumer wrote us to say that "no other financial institution that I know of can rival the great service and knowledgeable staff at State Department FCU."

In 1935, State Department Federal Credit Union was chartered through the efforts of eight employees of the Department of State. Originally named the U.S. Department of State Employees Federal Credit Union, our current name was established in 1945, when we had a total of 975 members.

Now, over 74 years later, our membership has increased to nearly 70,000 members worldwide. Not only has our membership grown, but our services have expanded as well, to include a wide range of financial products.

The State Department FCU is also hosting a series of Financial Workshops designed to help consumers and members make smart financial decisions. Upcoming workshops you can attend are listed online. Please visit: <https://www.sdfcu.org/>



Green CSM Certification Accepting Applications for 2012 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 2012 Spring cycle are now being accepted through April 30, 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 CSM Certification** criteria can be viewed at ACC's website located at: www.americanconsumercouncil.org/green



For more information, please call ACC at 1-800-544-0414 or visit ACC's website by [clicking here](#).

To become a member of the American Consumer Council, visit us at: www.americanconsumercouncil.org