

Consumer News & Views

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**UNIVERSITY OF KENTUCKY
FEDERAL CREDIT UNION**

and



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Consumer Confidence Continues Upward Trend for October 2012

Rising consumer confidence could not come at a better time for President Obama and the Democrats as the presidential election is only days away. As voters prepare to go to the polls, a silver lining in the economic forecast and the rise in consumer confidence are welcome signs for the beleaguered U.S. president, who is in a virtual tie with Republican presidential candidate Mitt Romney.

Confidence among U.S. consumers rose in October from the prior month to the highest level since before the last recession began five years ago. The Thomson Reuters/University of Michigan consumer sentiment index climbed to 82.6, the highest level since September 2007, up from 78.3 in September.



A woman carries a shopping bag on Fifth Avenue in New York. Photographer: Victor J. Blue/Bloomberg

Lower gasoline prices, improving property values and a drop in unemployment were cited as the key reasons for the uptick in consumer confidence. According to Bloomberg, Consumer spending, which accounts for about 70 percent of the economy, accelerated in the third quarter.

Thomas Hinton, president of the American Consumer Council, said, "There's no question consumers are now feeling better about their economic future. It's been five long, miserable years and consumers are finally seeing a brighter light at the end of this dark economic tunnel."

When asked about the prospects for consumer spending this holiday season, Hinton added, "We anticipate an increase of 8% in consumers' holiday spending over last year based on surveys and feedback from our members. This is a positive, upward trend that will continue right through the holidays." Hinton indicated the presidential election outcome would have little effect on consumer spending in the short-term.

Michael Feroli, chief U.S. economist at JPMorgan Chase & Co. in New York, said before the report. "Falling energy prices and a gradually improving labor market are good for spending."

The economy grew at a 2 percent annual rate from July through September after a 1.3 percent advance in the second quarter, the Commerce Department said. Household purchases also rose at a 2 percent pace in the third quarter, up from 1.5 percent.



**UNIVERSITY OF KENTUCKY
FEDERAL CREDIT UNION**

University of Kentucky Federal Credit Union Helps Consumers and College Students in the Blue Grass Region

In January of 1937, a group of Agriculture College Employees from the University of Kentucky decided to form a credit union that would provide themselves and their co-workers with a better place to save and borrow money. Through their efforts, the University of Kentucky Federal Credit Union was founded. Today, the credit union serves the financial needs of thousands of students as well as a growing community throughout the Blue Grass region of Kentucky and its neighboring states.

As a member of the American Consumer Council, you are eligible to join the University of Kentucky FCU.

Request for Membership Application from UKY FCU

Eligible individuals may apply for membership online by clicking the button below and providing the information

requested. You may also call 859-264-4200, 800-234-UKCU (8528), or stop by one of our branch locations to join.

[JOIN NOW!](#)

If you have any questions, please contact the University of Kentucky FCU at 859-264-4200 or 800-234-UKCU (8528), or send an email to contact@ukfcu.org

Many things have changed over the years, but the one constant that has remained is our commitment to the credit union philosophy of "people helping people."

We think you will appreciate the value and benefits of UK Federal Credit Union. Why use a credit union? You might say low rates on loans and low fees for services, and you're right. True, these features do make credit unions unique. However, the most important difference is: YOU own your credit union!

UK Federal Credit Union is a not-for profit financial cooperative. Our sole purpose is to serve the financial needs of our members by offering our members quality service and products while maintaining a financially strong institution. Instead of planning for stockholder profits, credit unions focus on serving their Membership:

You're a Member, Not a Customer!

Other financial institutions can't come close to matching that philosophy because they're profit-driven businesses.

Being part of member-driven financial institution, you reap the benefits in lower rates when you borrow and higher rates when you save at your credit union. The extra money isn't given to a few stock-holders, it's returned to members like you in the form of better rates and services. Attend your annual meeting and elect your board of directors. Participation in your credit union gives you a voice in your financial future and signifies your ownership. Those are two things you won't find at other financial institutions, and two more reasons why you're a member, not a customer.

The following rates are effective as of 10/1/12. Rates are subject to change and credit approval.

Car Loan: 2.99%* APR

Boat/RV Loan: 3.99%* APR

Home Equity Loan: 5.24%* APR

Home Equity Line of Credit: 3.00%* APR

Credit Card: 7.24%* APR

Share Certificates: 1.70%** APY

Money Market Account: 0.25%** APY

* as low as **as high as

APR = Annual Percentage Rate

APY = Annual Percentage Yield



**UNIVERSITY OF KENTUCKY
FEDERAL CREDIT UNION**

Bank of America Sued by Feds for \$1 Billion in Mortgage Fraud Case

Bank of America, the second- biggest U.S. lender by assets, was accused by the federal government in a \$1 billion fraud lawsuit of selling defective residential mortgage loans to Fannie Mae and Freddie Mac that later defaulted.

According to a Bloomberg News article by David Glovin and Hugh Son, the United States Justice Department filed the complaint claiming the bank and its Countrywide Financial unit generated thousands of defective loans and sold them to the two home-mortgage finance companies now under government control.



“The fraudulent conduct alleged in yesterday’s complaint was spectacularly brazen,” U.S. Attorney Preet Bharara in Manhattan said in a statement announcing the suit. “Through a program aptly named ‘the Hustle,’ Countrywide and Bank of America made disastrously bad loans and stuck taxpayers with the bill.”

The lawsuit, which covers conduct from 2007 to 2009, is the first by the Justice Department to allege fraud over mortgage loans sold to the two entities, Bharara said. Bank of America, which acquired Countrywide in 2008, was among 17 financial institutions sued in September 2011 by Fannie Mae and Freddie Mac’s regulator, the Federal Housing Finance Agency, over losses on mortgage securities sold to the companies.

The Bank of America lawsuit is the sixth brought against a major U.S. bank by the Justice Department in less than 18 months over what Bharara called “reckless mortgage practices in the lead-up to the financial crisis.”

Fannie Mae and Freddie Mac have operated under U.S. conservatorship since 2008, when they were seized amid subprime mortgage losses that pushed them toward insolvency.

The government said in the complaint that Bank of America “systematically removed every check” in the issuance of mortgages and then sold the “flawed” mortgages to Fannie Mae and Freddie Mac. Both relied on Bank of America’s assurances that the mortgages they purchased complied with their standards, the U.S. said.

According to the complaint, Countrywide initiated “the Hustle” in 2007 just as mortgage loan defaults were increasing nationally and Fannie Mae and Freddie Mac were tightening their loan purchasing standards to reduce risk. The Countrywide program did just the opposite, the U.S. said.

“The goals of the ‘Hustle’ were high speed and high volume, where loans ‘move forward, never backward’ in the origination process,” Bharara said in his statement. “To accomplish these goals, the Hustle removed necessary quality control ‘toll gates’ that could slow down the origination process.”



Kinecta Federal Credit Union is one of the nation's leading Credit Unions, with more than \$3.2 billion in assets and serving over 235,000 member-owners across the country. From the beginning, we have helped our members fulfill their dreams. In 1940, Hughes Aircraft Employees Federal Credit Union was an idea born from a simple inconvenience: employees of the Hughes Aircraft Company were spending too much lunchtime driving downtown to handle their finances. So why not start a credit union, right there at the plant?

“I went to Mr. Hughes’ office in Hollywood and talked to his secretary Nadine. I gave her all the facts and Mr. Hughes said, ‘Sure. Start the Credit Union. Just keep my name clean. I don’t want anything funny going on.’ I said, you can be sure of that. And Hughes Credit Union was born.”

- Lou Merandi, Credit Union Founder & Hughes Aircraft Chief Tool Designer, 1937-1981

In October 1940 a United States government charter was issued to establish the Credit Union. Each of the 12 founders deposited \$5 to make the Credit Union's total assets \$60. Membership cost 25 cents and the maximum loan amount was

\$200.

We launched our name change to Kinecta Federal Credit Union in July 2001, after serving our members proudly as Hughes Aircraft Employees Federal Credit Union for more than 70 years. As we continue to expand our position as a leader in the financial services industry our Kinecta name and logo represent our continued commitment to delivering unequalled value to the members-owners of Kinecta Federal Credit Union. Our promise: Every aspect of our organization, from our employees, to our communications, to our products and services, sets standards of excellence by remembering that our business is serving our members. And we're committed to doing that better than anybody.

Enjoy a complete range of financial services and products, plus the personalized attention and service our Credit Union members have enjoyed for years. It's easy to qualify.

Kinecta membership is open to members of the American Consumer Council as well as:

- Any immediate family or household member of a Kinecta member
- Any Select Employer Group (SEG) employee and their immediate family and household members
- Anyone who lives, works worships or attends schools in select zip codes of Anaheim, Lancaster, Rialto, Santa Ana and the Greater Los Angeles Area. (Not all zip codes apply)

How to Join Kinecta:

Open a Kinecta savings account with just a \$5 deposit - and you're a Kinecta member for life. [Click here for our Online Membership Application](#)



Green CSM Certification Accepting Applications for 2012 Fall 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 Fall cycle are now being accepted through December 10, 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: <http://americanconsumercouncil.org/greenc.asp>

