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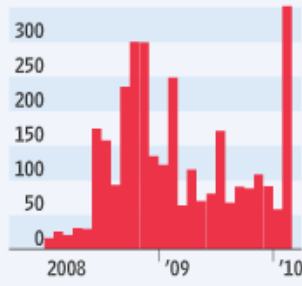
CREDIT & COLLECTION MATTERS

April 2010

Let the Big Dogs Handle Your Collections

FORECLOSURES HIT THE RICH AND FAMOUS

The Bigger They Are...
Number of homes with loans of \$5 million or more scheduled for foreclosure auction



Source: RealtyTrac

The rich and famous now have something in common with hundreds of thousands of middle and lower-class Americans: The bank is about to take their homes. Houses with loans of \$5 million or more will likely see a sharp rise in foreclosures this year, according to a recent RealtyTrac study. Just this week, a Tudor mansion in Bel-Air belonging to film star Nicolas Cage was in foreclosure auction and reverted to the lender. On Wednesday, Richard Fuscone, a former top Wall Street executive, declared personal bankruptcy, forestalling a foreclosure auction on his 14-acre Westchester mansion. In February alone, 352 homes nationwide in this category were scheduled for foreclosure auction, the final step before a bank acquisition. That is the largest monthly number of these so-called notices of sale since the financial crisis began. By comparison, in all of 2009, there were 1,312 such notices.

Economists say the super-wealthy are among the last to lose their homes in a mortgage crisis because they usually have high savings, better access to credit and other means for staving off foreclosure. But many of them work in financial services and other industries hit especially hard by the crisis, and have seen their wealth shrink in the market crash.

Big borrowers are more likely to default than ordinary people, according to data from First American CoreLogic. Its loan database, reflecting more than 80% of the overall home-loan market, includes 1,700 loans with balances of \$4 million or more. About 14.8% of those loans were 90 days or more overdue at the end of January, compared with 8.7% for all home loans.

Mortgage defaults began to surge in late 2006, mostly among borrowers with subprime mortgages, those for people with weak credit records or high ratios of debt to income. Over the next few years, defaults spread rapidly to better-heeled borrowers, especially those who got loans without documenting their income. At the end of 2009, nearly eight million households, or 15% of those with mortgages, were behind on mortgage payments or in the foreclosure process. "It's very, very difficult for these people to believe they've had such a severe reversal of fortune," says Maggie Navarro, a real-estate agent in Pasadena, California.

Source: Wall Street Journal



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CONTACT

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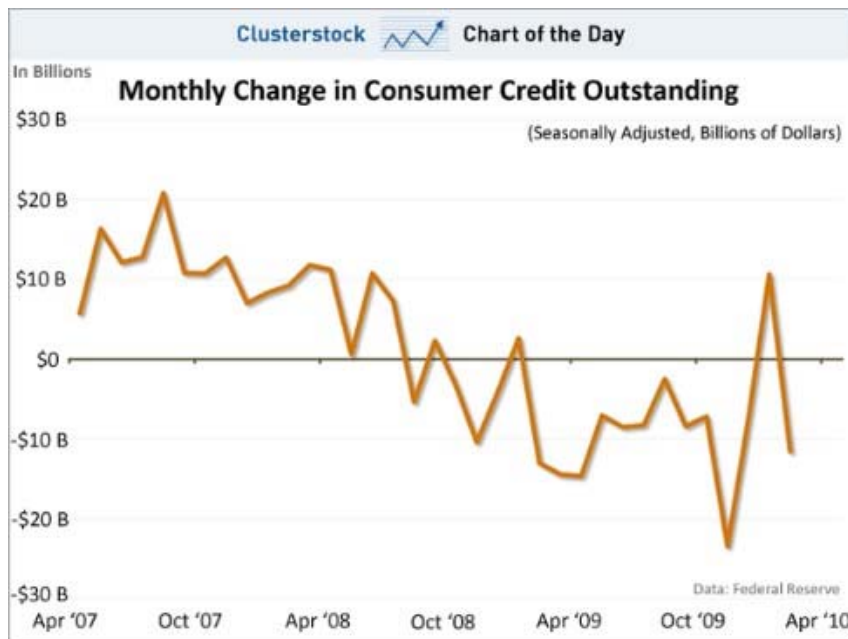
TEL: (856) 779-0300

FAX: (856) 779-0355 - fax

NJ: Cherry Hill/Lawrenceville

PA: Philadelphia/West Chester

THE CONSUMER DIES AGAIN ...



Here it is, folks, the chart to break a million retailers' hearts. It's the Fed's latest consumer credit reading, and after starting to come back, total outstanding consumer credit has fallen right back down, with a monster month-over-month decline.

Source: The Business Insider

BUSINESSES BUCKING THE RECESSION

The economy is sinking, stocks are a mess and jobs are disappearing. But some businesses are still booming.

1. Cosmetic Procedures

The job market may be sagging, but why should your face? Minimally invasive cosmetic procedures — Botox, chemical peels and fillers — were 73 percent more popular in the final quarter of 2008 than in 2007, according to a survey conducted by the American Society of Plastic Surgeons.

2. Herbal Meds

Losing a job often means losing health care. But Americans are still trying to stay healthy, self-medicating with vitamins and herbal supplements. While everyday vitamins are selling well, shoppers are also looking for “specialty items” — higher grade fish oils, fiber supplements, multivitamins and cleansing products. Overall, the \$21 billion the herbal supplement industry shows no signs of decline in this recession.



3. Microbreweries

Craft brewers are enjoying boom times, with retail sales up by 11 percent in the first half of 2008, while import beer sales are down for the first time last year since 1991. Industry experts predict that craft breweries will grow anywhere between 4 to 6 percent in the next year.

4. Candy

Chocololics continue to seek their sweet fix — sales at the Hershey Company and the UK's Cadbury are positive, even robust. Hershey reported fourth quarter earnings that were 9.3% higher than year-earlier levels while Cadbury said it expects to report "strong profit growth for 2008." Although sales are also going well at higher-end chocolate makers like Lindt & Sprüngli, they are seeing slower growth.

5. Lottery Tickets

Americans are willing to take a flier these days, especially if it's only a couple of bucks. In Massachusetts, the lottery generated \$4.7 billion in ticket sales last year, up from \$4.4 billion in 2007. Washington, D.C.'s instant lottery sales were at their highest ever at \$45 million in the 2008 fiscal year.

6. Exotic Travel

Exotic travel is a comfy business to be in these days. Travel to the Middle East and Africa was up 11 and 5 percent in 2008, respectively, but travel to more traditional vacation or business destinations, Europe and Asia, declined 3 percent in the second half of the year, according to the United Nations World Tourism Organization.

Source: TIME

IRONSIDE'S News of the Weird ...

Verizon Bills Dead Guy - After Receiving Death Certificate



Rules and policies are meant to be followed 99% of the time. However, there are cases where it's far better to use a little common sense. After her father passed away, Cynthia Lacy of Treasure Island, Fla., began putting his affairs in order. She ran into a wall, however, when it came to his phone service - disconnecting it that is. Lacy's father, Bill Young, passed away in June 2009, but Verizon Wireless continued to bill the dead man until Feb. 2010. After a series of phone calls, Lacy ended up sending her father's death certificate to Verizon. With the company in possession of her father's death certificate, Lacy called up the phone company fully expecting to get her deceased father's service turned off. Instead, she was met by a customer service rep who refused to help her. Why? Lacy couldn't provide the rep with her dad's PIN (Personal Identification Number). According to the *St. Petersburg Times*, the rep told Lacy, "Well, there's nothing else I can do for you," before laughing and then hanging up the phone. After Lacy contacted the media, however, the company changed its tune. A Verizon spokesman said the representative did not handle the case properly — and has since been "reprimanded and given coaching."

Source: CFO Daily News

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Saldutti, LLC 856 779-0300

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