

CREDIT & COLLECTION MATTERS - Holiday Edition



November 2009

Credit Card Debt Hits Lenders and Consumers



Millions of Americans have been stung by the cost of maintaining their credit card debt, pushing some into bankruptcy and delinquency. However, the economic climate also has negative results for the credit card companies themselves. Nationwide levels of chargeoffs and delinquencies have reached new highs this year, while showing signs of at least leveling off in recent months. Last week, Fitch Ratings said the credit card delinquency rate will remain high well into next year, and that bankruptcies and unemployment will continue to rise in that period. This causes lower revenues for credit card companies at a time when many of them are bracing for federal limits on late fees and interest rates set to take effect by February. According to Fitch, credit card purchase volumes fell at an annual rate of 13.7 percent in the third quarter, adding that the industry is "cautious" in its outlook on the coming holiday shopping season.

The lower purchase volume is consistent with government statistics showing that Americans have been steadily paying down credit card debt and other loans in recent months while also increasing their personal savings rate. Economists are also awaiting more consistent gains in consumer spending to help fuel a strong recovery. The next quarter's credit card sales figures are likely to see a bounce because of the holiday shopping season. However, looking ahead it will be important to see whether or not the recession has produced a permanent change in the way consumers manage their credit card debt.

Source: Credit.com

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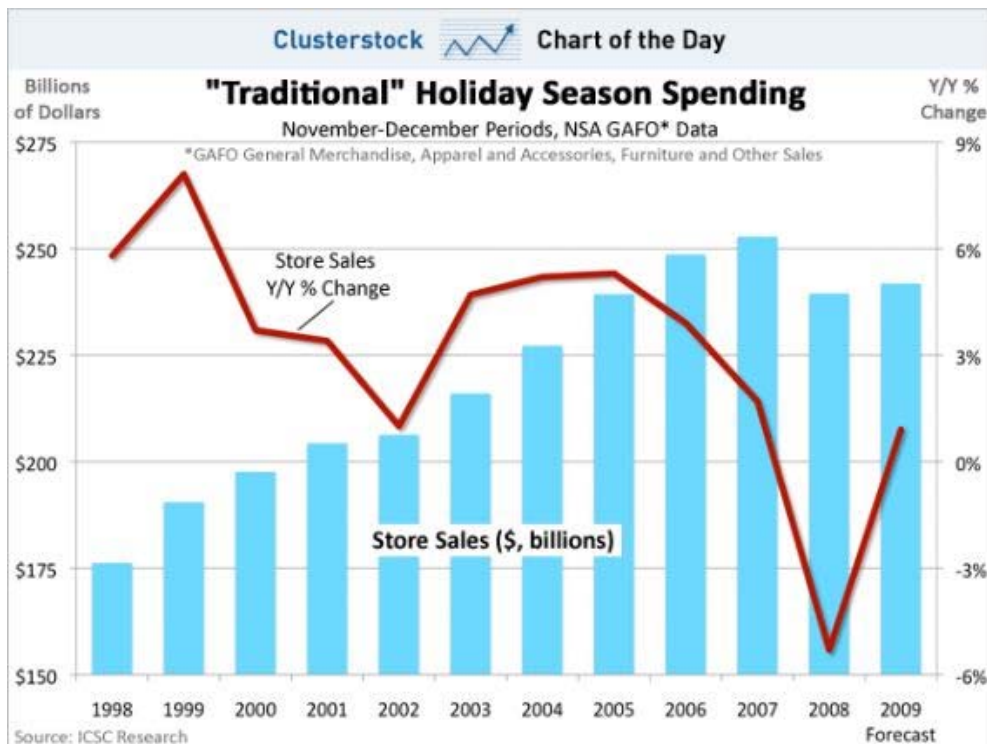
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Will Holiday Spending Recover This Year?

Holiday sales will be the great test of our recovery. Wall Street analysts and industry insiders are predicting a mild uptick in sales over last year's historic loss. The forecast from the International Council of Shopping Centers is for 1% growth and \$242 billion, which seems rather conservative.

But what if this is too optimistic? The forecasted number is lower than the peaks of 2006 and 2007 but slightly higher than the \$239 billion spent during the holidays in 2005. We're skeptical about the proposition that Americans will spend slightly more this year than they did in 2005. That year unemployment was half of what it is now and median home prices had gone up 13.4%. Are we really ready to spend like we did back then?

Source: The Business Insider

Ironside's Thanksgiving Trivia ...

How much do you know about the holiday that now seems to be devoted to turkey and football? Check your accuracy at the bottom of the newsletter.



1. According to popular legend, where did the male “tom” turkey get its name?

- A. The popular Tom and Jerry Show
- B. Benjamin Franklin named it after Thomas Jefferson when he would not allow it to be the national bird
- C. A tom cat - wild turkeys were just like wild cats back then, roaming around and getting into fights

2. What Indian tribe was invited to spend thanksgiving with the pilgrims?

- A. Sioux
- B. Wampanoag
- C. Red Sox
- D. Comanche

3. Which President moved Thanksgiving up one week to help stimulate the Christmas shopping economy?

- A. Theodore Roosevelt
- B. John Kennedy
- C. Franklin D. Roosevelt
- D. It was never changed

4. What percentage of pilgrims who sailed on the mayflower survived to celebrate thanksgiving?

- A. 50%
- B. 100%
- C. 20%
- D. 75%

5. The first Thanksgiving Day football game was started in 1934 by which team?

- A. Pittsburgh Steelers
- B. Kansas City Chiefs
- C. Detroit Lions

Bonus Question: How can a turkey drown when it's raining?

- A. By looking up
- B. By getting its beak stuck in the mud
- C. By hiding it's head between its legs

Rolling in the Dough ...

Pumpkin Log with Cream Cheese Filling

Ingredients

- 1 cup sugar
- 3/4 cup all purpose flour
- 1 teaspoon baking powder
- 1 teaspoon ground cinnamon
- Pinch of salt
- 3 large eggs, beaten to blend
- 2/3 cup canned solid pack pumpkin
- 2 tablespoons powdered sugar
- 1 8-ounce package cream cheese, room temperature
- 1 cup powdered sugar
- 2 tablespoons (1/4 stick) unsalted butter, room temperature
- 1 teaspoon vanilla extract
- 1/2 cup finely chopped walnuts (optional)



Powdered sugar

Directions:

Preheat oven to 375°F. Butter 13x9x5/8-inch jelly roll pan. Line pan with waxed paper; butter paper. Mix first 5 ingredients in large bowl. Mix in eggs and pumpkin. Pour batter into prepared pan, spreading evenly. Bake until tester inserted into center of cake comes out clean, about 15 minutes.

Lay kitchen towel on work surface; dust with 2 tablespoons powdered sugar. Cut around pan sides to loosen cake. Turn out cake onto sugared towel, waxed-paper side up. Fold 1 side of towel over 1 long side of cake, then roll up cake jelly roll style. Cool cake.

Combine cream cheese, 1 cup powdered sugar, butter and vanilla in medium bowl; beat to blend. Mix in walnuts.

Unroll cake; leave on towel. Peel off paper. Spread cream cheese filling evenly over cake. Using towel as, roll up cake and place seam side down on platter. Trim ends of cake. Dust cake with powdered sugar. (Can be prepared 1 day ahead. Cover and refrigerate.) Cut cake crosswise into 1-inch-thick slices and serve.

Answers to Thanksgiving Trivia:

1. B - Rumor has it that Benjamin Franklin named it after Thomas Jefferson when he would not allow it to be the national bird.
 2. B - Wampanoag
 3. C - FDR but it did not go over well. In 1941, Congress ruled that Thanksgiving would always be the 4th Thursday of November and made it a federal holiday.
 4. A - Of the 102 Pilgrims aboard the Mayflower, it is believed that only 50% survived
 5. C - The Lions played the Chicago Bears in hopes to boost game attendance
- Bonus: A - By looking up

**The staff of Saldutti Law, LLC wishes a
Happy Thanksgiving to you and your family!**



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