Coordinator: Welcome and thank you for standing by. At this time all participants are in a listen-only mode. To ask a question during the question and answer session please press star 1 on your touchtone phone. Today’s conference is being recorded. If you have any objections you may disconnect at this time.

I will now turn the meeting over to Ms. Jane Walstedt. You may begin.

Jane Walstedt: Thank you, Marsha. And welcome to this fifth in a series of Wi$eUp teleconference calls this year. And thanks to each of you who are participating today. My name is Jane Walstedt, and I’m the Co-Chair of the Women’s Bureau Team that developed the Wi$eUp Program.

As most of you know Wi$eUp is a financial education demonstration project being offered online with an e-mentoring component and in a classroom setting. Eight of the ten Women’s Bureau regions are participating. These teleconference calls are a component of the project.

The title of today’s call, which will last one hour, is “Dealing with Debt and the Credit Crunch.” We have three excellent speakers who will be introduced shortly.

For obvious reasons this month seems like a good time to talk about credit and debt. There’s been a progression of articles and columns in the newspapers about this topic.

The following is a sampling of headlines:
“Utilities Cut Off More Homes.”
“Spending is Down Due to Economy.”
“Rising Prices Stifle Impact of Stimulus Payments.”
“The End of Shopping.”
“Running on Empty: Delinquent Auto Loans Are on the Rise as More Borrowers Drown in Debt.”

According to CarTrack.com, nationally the ratio of credit card borrowers delinquent on one or more of their credit cards rose 14% on a year-over-year basis. One of the subjects that will be covered today is debt collection. One in seven Americans right now is dealing with a debt collector, according to Elizabeth Warren, Leo Gottlieb Professor of Law at Harvard University, when she was being interviewed as part of the “Conversation with History” series on March 8, 2007, at the University of California at Berkeley.

I suggested that we deal with that topic in one of the Wi$eUp calls after my personal and only experience with debt collection. I help my 91-year-old mother pay her bills. One of her 2007 bills was for the repair of one of her hearing aids through a hospital audiology clinic. She questioned why she was billed over $300 by the hospital, given that her hearing aids were warrantied when the charge was incurred.

Several frustrating calls with the hospital got us nowhere. Eventually we heard from a debt collection agency. Notwithstanding that I faxed them a copy of the warranty, my mother kept receiving phone calls and letters. This month we received a letter from a third debt collection agency from yet another part of the country.

I learned from the speaker from the Federal Trade Commission, whom you will hear today, that there are—in the words of Washington Post staff writer, Caroline E. Mayer in her July 28, 2005, article entitled “As Debt Collectors
Multiply, So Do Consumer Complaints”—“debt buyers, outfits that acquire unpaid bills from credit card firms and other credit providers for pennies on the dollar and then try to collect.”

As the article goes on to say, “As the amount of consumer debt has risen over the years, so too has the number of these firms, growing from about a dozen firms in 1996 to more than 500 today.” According to the Federal Trade Commission’s 2008 Annual Report on the Fair Debt Collection Practices Act, the Commission receives more complaints about the debt collection industry than any other specific industry.

But I don’t want to take any more time away from our speakers. So let me just briefly say that the format of our call today is that we’ll first hear from the three speakers; then when the speakers have finished the operator will come on and give us instructions about how to ask a question during the question and answer session at the end of the presentations.