



Dear Reader,

Selamat Hari Raya and Happy Deepavali !

Profitera presents this issue of PowerCollect eNews - September 06 which brings to you a great collection of latest Industry News, Articles, Events and Solutions Information. The feature article is "Credit and Collections Scoring - Part I and II".

Profitera Corporation is amongst the world's leading Technology Providers of Revenue Collections and Debt Recovery Management Software Solutions. For more details and information on our Products and Services, please visit our website at www.profitera.com or write to us at info@profitera.com.

Happy Reading!

From The Profitera Team

Events Participated

[FICCI – IBA Conference on "Global Banking: Paradigm Shift"](#)

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Sept - Oct 2006

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A. Industry News

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B. Whitepapers and Articles of Interest

Commercial Credit & Collections Scoring – Part I & II

Part I: Now Is The Time To Get Started With Commercial Credit & Collections Scoring

Author : Jeff Parisi

Source : Business Credit Publication

When one looks at credit and collections scoring and its adoption rates thus far by trade credit professionals, a number of questions arise. Why have other forms of lending moved ahead so quickly with credit scoring, while trade credit has moved much more conservatively? Given the pressure that trade credit professionals feel to “do more with less,” why have they been relatively slow to integrate credit and collections scoring into their daily lives?

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Industry News 1. Philippines raises revenue collection goal for next year

By Likha C. Cuevas

Thursday, August 31, 2006

Philippines has raised next year's revenue targets on higher collection goals for the Bureau of Internal Revenue (BIR), which contributes two-thirds of government revenues.

In a presentation before the Senate on Wednesday the Department of Finance said revenue collection next year would rise to P1.118 trillion, a 14.7-percent jump from the proposed P975.6 billion 2006 revenue program.

The 2007 revenue goal comprises 16.7 percent of economic output as measured by the country's gross domestic product (GDP). Of the total amount, about P1.028 trillion would come from the BIR. This means the agency would have to raise P784.1 billion, or 16.1 percent, more than its P675.4 billion target for this year.

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Industry News 2. GE Money Acquires 25.4% Strategic Interest in Thailand's Bank of Ayudhya

Dated: 19 Sep 2006

GE Money, the consumer finance unit of the General Electric Company, announced today it has reached an agreement to acquire a 25.4% interest (on a fully diluted basis) in the Bank of Ayudhya (BAY) for US\$600 million. The transaction is subject to shareholder approvals.

Mr. Yoshiaki Fujimori, President and CEO for GE Money Asia, said, “This partnership will further strengthen the Thai financial market by contributing to economic growth and offering more competitive options for both Thai consumer and commercial customers. The combination of BAY's performance history and local banking experience and GE's global expertise and business management processes will help fulfill our shared vision to become Thailand's ‘bank of choice’ and to drive sound growth for the future.”

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Industry News 3. IDBI Bank wins race for troubled UWB

Posted online: Wednesday, September 13, 2006

Takeover: RBI chooses IDBI Bank in 17-entity contest, both depositors and shareholders to get back their money

MUMBAI, SEPTEMBER 12: In a move that would bring smiles to 22-lakh United Western Bank depositors and shareholders, banking regulator Reserve Bank of India on Tuesday recommended that government-owned IDBI Bank should take over troubled United Western Bank.

In a draft amalgamation scheme released here today, the RBI said IDBI would take over all assets and liabilities of UWB, which made over Rs 200 crore of loss in the last two financial years thanks to **rising bad debts** and the resultant fall in capital adequacy ratio.

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Industry News 4. Indian Risk May Be Raised by Fitch on Loan Growth

By : Gautam Chakravorthy

Sept. 27 , 2006

India may be moved to a higher risk category by Fitch Ratings on concern unabated loan growth may lead to a "systemic crisis" in the banking industry of Asia's fourth biggest economy.

India, Austria, the Czech Republic, Slovakia and Slovenia were moved to the "moderate risk" category from "low risk" this month by Fitch, which cited excessive lending accompanied by rising prices of assets such as stocks and property.

"India is probably on a path where if loan growth continues to be above trend rates, then it would move to a higher risk category" David Marshall, managing director at Fitch Ratings, told reporters at a banking conference in Mumbai late yesterday.

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Industry News 5. Know the rules on Debt Collection

September 17, 2006

These regulations in the Fair Debt Collection Practices Act apply to collection agencies, according to the Federal Trade Commission: Collectors are required to identify themselves to you.

They may call only during normal business hours, 8 a.m. to 9 p.m. They can't contact you at work.

They may call other people only to find where you live and work, but may not talk about your debt or tell others you owe money. If you have an attorney, they may only contact the attorney.

They must notify you in writing within five days after the first contact, stating the amount you owe, the name of the creditor and what action to take if you believe you don't owe the money.

You can stop a collector from contacting you by writing them a letter telling them to stop. They or the creditor may then contact you only to tell you of the intent to take some action.

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Industry News 6. Consumers Had Some Troubles Paying on Time in 2nd Quarter: ABA

2006-09-28

Late credit card payments edged up slightly to 4.41% in the second quarter from 4.40% in the first, while other types of consumer loans also saw slight upticks in late payments, reports the American Bankers Association.

Personal loan delinquencies went up to 1.86% from 1.81%; recreational vehicle loan delinquencies went to 0.79% from 0.78%; and property improvement loan delinquency went to 1.48% from 1.42%. Some delinquency rates fell in the quarter, however Past-due payments for home equity lines of credit fell to 0.52% from 0.55%; the rate for home equity loans delinquencies fell to 1.89% from 1.94%.

Consumers had less money for loan payments as they faced higher fuel costs and rising interest rates in the second quarter, said James Chessen, the ABA's chief economist, in a statement.

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Industry News 7. Consumer Borrowing Tops \$800 Billion in July

2006-09-29

Consumer borrowing in July surpassed a new threshold, reaching \$805.2 billion, up 0.77% from June's \$799 billion, according to the Federal Reserve Board's G.20 report on finance company receivables outstanding.

The new level of borrowing exceeds that of fourth-quarter 2005 by 4% and 2001's level by more than 30%. The Fed says the annual rate of increase in consumer borrowing during July was 9.3%.

Real estate lending fell for the second straight month, down 4.4% in July, following a 7% drop in June. Real estate receivables in July totaled \$596.6 billion, compared with \$598.8 billion in June and \$602.4 billion in May. May's receivables represented the height of real estate loans outstanding over the past five years.

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About Profitera Corporation

Profitera Corporation is a leading technology provider of Revenue Collections and Debt Recovery Management Software Solutions. With offices in the USA, Singapore, Malaysia and Partners in Asia, Middle East and Europe, Profitera provides solutions to help its Customers focus on their Clients and optimize Profits throughout their Revenue & Profitability Lifecycle. Profitera PowerApps can be leveraged by various industries including Banking, Telecomm, Utilities and Government to automate their Revenue Collections and Debt Recovery processes. Profitera has strategic alliances with global technology providers including IBM, AMD, Intel, Red Hat, Novell, HP and Oracle, whereby Profitera's solutions are certified on their respective platforms.

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