

Credit Detective™

Overview

The Credit Detective™ is used to automatically detect missing, outdated and likely inaccurate information in a credit file. The tool estimates the correct value and potential score improvement if the update is performed, and provides suggestions on correcting these errors.

Credit Detective™ is integrated into MCL as a bundled option in the Credit Analyzer. User's have the option to select "Error detection" mode when they wish to order and view a CreditXpert Detective™ report.

Product Information

Through an inspection of the non-formatted non-merged credit file, items that are potentially incorrect are identified, a replacement value is estimated along with a potential score improvement value. The potential score improvement is provided as if the updates are completed. If multiple bureaus are available, the product will look across bureaus for updates even though the fee is per bureau.

Pricing

"Error Detection" mode is purchased with your Credit Analyzer. Ask your credit provider to "turn on" the capability of running "Error Detection" with your Analyzer reports. An additional fee will be assessed.

"Error Detection" mode runs on the same individual and bureau that had been selected to run Analyzer. Like Analyzer, access is unlimited for 30 days from the date of the credit report.

<u>FEATURE</u>	<u>BENEFIT TO LOAN OFFICERS</u>
1. Automatically detects missing, outdated and inaccurate information.	Save time. Uncover more options.
2. Provides access to unique and powerful information.	Differentiate.
3. Presents updates with a + 3 or more potential score improvement.	Focus on most important items.
4. Do not need borrower cash i.e. do not need to "pay down a balance", etc.	Determine impact before taking action and before recommending an action.



Results for TransUnion [Rapid Rescoring mode]

Credit Report Date: 09/09/2005

Credit Analyzer™ scans your credit reports and automatically finds potential problems (such as inaccurate or outdated information) that, if corrected, may improve your credit scores. These problems may be fixed by requesting updates to your credit report information through a dispute process. If a specific score increase is requested, this tool finds the smallest number of updates to achieve this increase. If not, it identifies the potential problems that, if corrected, may improve your score the most on this credit bureau. Note that Credit Analyzer does not change your credit report information or initiate any dispute on your behalf.

★ Potential problems found in your TransUnion report

This tool scanned your credit report for potential problems. It found items that, if corrected, may allow you to improve your credit score.



Potential for improvement: +18

These updates could raise your credit score on TransUnion by 18 points.

Selected updates

The following updates offer the best opportunities we found to update information in your TransUnion credit report.

#	Type	Description	Reported Value	Updated Value	Score Increase
1	Payment status	Update the payment status on the US BANK credit account (# 11111112970). The payment status is reported as "120 days late" even though the account balance is reported as \$0.	120 days late	Paid as agreed	+18

Items to investigate

Make sure the following pieces of information are accurate, because such items typically have a significant impact on credit scores. We do not have enough information to calculate their potential impact on your score.

★ Historical payment statuses

Examine all of the past late payments to see if they were reported correctly. In particular, isolated late payments may indicate errors.

Points to keep in mind

● Goodwill adjustments

You may be able to obtain a "goodwill adjustment" from your lender. Some lenders do this for customers who have had minor delinquencies (such as 30 days late) in the past, but who have recently been paying on time. The "goodwill adjustment" will remove all negative information to date. A request for a "goodwill adjustment" should be made in writing. Lenders are typically willing to make such an adjustment only once, if at all.

● Disputes may cause accounts to be deleted

Although you may dispute a single piece of information on an account, credit bureaus may respond by deleting the entire account from your credit report. As a result, your credit score may decrease in a situation where it was expected to increase.

● Understanding the estimated score increase

The new score shown is only an estimate, and there is no guarantee that your credit score will increase by this exact amount should you take all of the recommended actions. There are several reasons for this. First, the estimate is based on performing all of the actions in the exact order shown. Each action can build on the results of previous actions. Therefore, removing an action or performing actions in a different order may produce different score increases. In addition, there is no way to know exactly when the changes will take effect in your credit reports. The longer it takes, the more likely that other information (such as account balances) will change at the same time. Lenders may re-report any of your accounts during the dispute period. Finally, in the course of processing your dispute, the bureaus may update other account information that you did not dispute. As a result, the score may decrease in a situation where it was expected to increase. For example, if the balance or past due amount increases, the account gets closed, or new delinquencies appear, these unintended changes may lower the score more than correcting the disputed information raises it.

● Results shown depend on the updated value

The estimated score increase and instructions assume that the updated value guessed by this tool is accurate. If the real value is different, the effect of the dispute on the score may change and the instructions may not be valid. In some cases, the dispute could lead to a score decrease instead of a score increase. Use the CreditXpert What-If Simulator™ to see how updating your information to a different value might impact your score.

Instructions for TransUnion

For your dispute, gather some documentation and give it to your loan officer. The exact documentation needed is listed under each update. The loan officer will deliver the documentation to the appropriate parties for verification, so that changes can be made to your credit report. When the changes are complete, the loan officer should get a new report with an updated score. Check that the information was updated correctly. During this process, avoid making changes to your credit other than those recommended to you. Also, first speak with your loan officer before disputing any information on your own, as consumer disputes can prevent rapid rescoring disputes for 30 days.

The best possible documentation is a letter from the creditor (or collection agency). It must be on company letterhead and from an authorized employee, and must clearly instruct the credit bureau to correct specific information. The letter must be dated and include the account number, your full name and address, and the name, phone number, and signature of the employee. The phone number must be a direct line (extensions are allowed) that the credit bureau can use to verify the information.

Update 1: Update the payment status on the US BANK credit account (# 11111112970).

★ **How to proceed:** Obtain a letter from this creditor (or collection agency) that states that the payment status is "Paid as agreed."

Creditor contact information: To obtain a letter from this creditor, or if the wrong information reappears on your report in the future, contact the creditor directly at this address:

US BANK
POB 5952
DENVER, CO 80217
phone: 303.585.8888

About disputes

- **Time to complete your updates**

When using a rapid rescoring service, it may take up to 72 hours after your disputes are submitted to receive an updated credit score. This tool assumes that your accounts will not be re-reported by lenders during that time period.

- **Disputing state and local public records**

Public record information generated by state or local courts or agencies usually end up being "verified" (meaning not corrected) when disputed. This is because credit bureaus typically obtain this information from a third party that collects and resells public record information, not directly from the court or agency. There appears to be no way to compel the third party to update their information.

- **Dispute identifying information first**

If an account listed on your credit report does not belong to you, first dispute any incorrect identifying information (such as name, address, telephone number, Social Security Number, or date of birth) before filing any other disputes. This alone may remove the incorrect accounts from your report, and will help to prevent future problems. When filing this type of dispute, provide proof of your identity, such as a photocopy of your driver's license or a utility bill. Note that correcting your identifying information may cause some accounts that are actually yours to be removed from your report, which can lower your score. Follow-up with your creditors to make sure your information is being correctly reported. Once corrected, these accounts should reappear on your report.

- **What "verified" means**

If the credit bureau responds that the disputed information is "verified" (by the creditor), your credit report was not corrected. Write a letter to the creditor asking them to correct the information, because the problem is likely with them. This letter should contain the same information as a dispute letter sent to the credit bureau, plus copies of supporting documentation that support your dispute. Ask the creditor to copy you on any information sent to the credit bureau.

- **Disputed information may be reinserted later**

Disputed information may initially be corrected, but later reappear on your credit report. This can happen for two reasons. First, the corrected information may be overwritten accidentally with old information. Second, the creditor may have "verified" the disputed information after the 30-day investigation period expired. When the creditor does not respond to a dispute, the credit bureau removes the information temporarily with the intention of reinserting it if the creditor later verifies it. The credit bureau must notify you in writing within 30 days of reinserting the disputed information. In either of these situations, write a letter to the creditor explaining that the information was corrected and then reinserted, and asking the creditor to correct the information permanently.

- **If you suspect identity theft**

If there is an account on your credit report that you do not recognize and for which you suspect identity theft, the first step is to contact the creditor (the bureau can provide contact information). You may find that the account is in fact yours, but reported under an unfamiliar creditor name (for example a department store card may be reported under the name of the bank that issued the card). Once you have confirmed with the creditor that the account is not yours, or if you are not able to contact the creditor, report the crime to local law enforcement and to the Federal Trade Commission (call 1-877-IDTHEFT or visit www.ftc.gov/idtheft). The creditor will need a fraud affidavit (you can get this form from the creditor or from the FTC web site). Send the affidavit, along with a copy of the police report, by certified mail with return receipt requested. Then, notify all three credit bureaus by phone and by certified mail that you are a victim of identity theft. Document all steps that you take to report and recover from identity theft, because your costs may be tax deductible and because you may need this documentation for potential legal proceedings.



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