

KEWANEE CREDIT BUREAU

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REPORTING CHARGED OFF LOANS TO THE IRS

If you didn't read our article about reporting bad debts to the IRS on the form 1099C, you might want to take another look.

Briefly, it appears that banks, savings and loans and credit unions should report bad debts to the IRS as miscellaneous income paid to the consumer who did not repay the loan. This bad debt, whether bankrupt or just a charge-off, should be reported to the IRS on a 1099C.

SUPREME COURT RULES IN FAVOR OF CREDIT REPORTING INDUSTRY

A recent ruling by the Supreme Court of the United States handed a victory to the credit reporting industry. The Court ruled in favor of TRW [Experian], in the case TRW v. Andrews, which questioned whether liability is determined to extend from the date of discovery of the alleged injury instead of the date of the occurrence of the alleged violation. On Nov. 13, the Court unanimously ruled that a person who alleges a violation of the FCRA has two years to file the lawsuits [against] any person regulated under the FCRA.

The Court stuck to the letter of the law, stating that Congress intended that the two-year period begins when the alleged violation occurs, as opposed to when it is discovered. Justice Ruth Bader Ginsberg noted that Congress specifically imposed a two-year limit on the right to sue, starting the clock after the supposed infraction, not after a consumer discovers the alleged wrongdoing. (ACB Communicator, Vol XVI, #12)

LAWMAKERS ATTEMPT TO CHANGE STATUTE OF LIMITATIONS

In response to the Supreme Court ruling, Sen. Patrick Leahy (D-VT) introduced S. 1723, the Protect Victims of Identity Theft Act of 2001, to the Senate on Nov. 16, only three days after the Courts decision. ...the proposed bill changes the "damage" interpretation of the statute of limitations set forth in the FCRA, stating instead that the action against any person regulated under the FCRA must be brought to court no later than two years after the date on

which the violation is discovered or should have been discovered with the exercise of reasonable diligence. A similar bill, H.R. 3368, which is also entitled, the Protect Victims of Identify Theft Act of 2001, was introduced in the House on Nov. 28 by Rep Jan Schakowsky (D-IL) and Rep Spencer Bachus (R-AL), Chairman of the House Financial Services Subcommittee on Financial Institutions and Consumer Credit. (ACB Communicator, Vol. XXVII, #1)

SPEAKERS

If the service organization you belong to, or your local high school needs a speaker to talk about credit, loans, interest rates or collections, just give us a call. We have programs for service organizations and for high schools.

OUR CORRECT MAILING ADDRESS!

Please use: PO Box 93, Kewanee IL 61443 when sending us mail. The Post Office will **no longer** deliver mail to our street address.

LOOK FOR OUR BOOTH AT THE PEORIA BUSINESS CONNECTION, MARCH 19TH & 20TH.

If you have applied for internet access and have not received your user names and passwords within two weeks, please call us.

KEWANEE CREDIT BUREAU HOURS

Monday - Friday 9:00am to 4:30PM

Consumer credit reports are provided from Experian.
Business reports are provided from Experian.
Residential Mortgage Credit Reports may contain information from: the Kewanee Credit Bureau, Experian, TransUnion and/or Equifax.

The KEWANEE CREDIT BUREAU has served businesses since 1928 and serves the following counties for Experian: Henry, Stark, Bureau, Putnam, LaSalle, Marshall, Woodford, Peoria, Knox, Fulton, Mason, McDonough, Warren, Logan, Henderson, Hancock, Adams, Schuyler and Tazewell.

If you know of any person or business that should be using consumer credit reports or employment credit reports, please tell them to call us.

*Integrity is not a 95% thing.
It is not even a 99% thing.*