



The ONE SOURCE for all your credit reporting needs

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SEMINAR

We are planning to have our next seminar on April 12th from 1:00 to 3:30pm at Alpha Park Library in Bartonville. The Library is 2 miles south of I-474 on Airport Rd.

We will review:

The Fair Credit Reporting Act and The FACT Act.

Getting better information from your credit reports.

The different types of reports including:

- Consumer reports
- Collection reports
- Merged reports
- Social Security Searches
- Fraud searches
- Authentication Services
- Business reports
- People Searches
- Criminal background checks.

Our seminars will provide you with a better idea of the services and types of information available and how to use them. You will then be able to get the information and reports you need, without paying for information and services you don't need.

We will have a speaker from Experian. She will explain several new services from Experian.

EXPERIAN REPORTS

As many of you know Credit Data of Ill has provided us with Experian reports for the last 16 years. Credit data sent your bills to us around the 20th of each month and we billed you at the end of the month. Experian will now be sending us the billing at the end of the month of the month billed. This month you will receive the December and January billing as of Jan. 31. If you have any questions, please call us.

CREDIT REPORT TIPS

If you don't pull at least one credit report each 6 months, Experian will drop your subscriber number. If that happens, you must sign new paper work.

If you are pulling reports directly from the "Experian Subscriber Services" web page you should enter the "Type" of loan the consumer is applying for. That is done in the "Inquiry reference" section. Just enter the Type Code. Type codes are listed under the INFORMATION LINKS section of our web page. The FCRA requires the type code and

Experian will soon be requiring that field to be filled in.

Some of you may receive the "page not available" notice. That notice often appears when you are in a secured web site and the web site does not allow you to use the **BACK** button. You must use the menu buttons or links on the web page, not the buttons on the Internet Explorer browser.

ARCHIVED REPORTS: If you are pulling from from "Experian Subscriber Services" web page you should be able to look at the reports you have pulled for the last six months. Just click on the tab USAGE and enter the dates you wish to review. If this is not available, call us and we can turn it on.

HOW TO AVOID ID THEFT

Just how annoying is ID theft? Victims spend on average 175 hours and \$800 to clear their names. Here are some tips from the FTC on how to avoid identity theft:

Actually look at your credit card and bank account statements. This is usually the first place unauthorized activity will show up. Call your credit card company or bank if an account statement is late. Don't give out personal information unless you initiate the contact or know the caller. Tear or shred any documents that contain personal information. Deposit outgoing mail directly into post office boxes, not in your own mailbox. If you're going on vacation, place a hold on your mail at the post office. Don't carry your Social Security card with you! Only carry a minimum number of ID and credit cards with you. Cancel any credit cards you don't need or use. Don't preprint your Social Security or driver's license numbers on your checks. Ask to use other identifiers when possible.

If you suspect that you may be a victim of fraud, or are simply a worrywart, order a copy of your credit reports once a year to verify their accuracy. (Creditcollectionsworld.com 9-8-03)

HOW TO REMEDY ID THEFT

If you find that your good name and credit rating are being dragged through the mud, here's what to do:

1. **Report the theft with each of the three major credit bureaus** (they all have fraud centers). Ask

that a "fraud alert" be placed on your file. Also request that no new lines of credit be granted without first seeking your approval. You'll be asked to record the incident(s) in writing, and include copies of any documents (e.g., a police report, correspondence with your bank or other creditors) to be used as evidence. Report fraud by calling Experian's fraud line and your fraud information will be passed on to all the credit bureaus. Call 1-888-397-3742.

2. **Close accounts** that have been fraudulently accessed or opened. To do so, contact the security departments of the appropriate creditors or financial institutions. If you open any new accounts, put passwords on them (and don't use the obvious ones like your mother's maiden name, your Social Security number, or the first six digits of your deceased great aunt-in-law's phone number).

3. **File a report with local police, AND the police where the identity theft took place.** Be sure to get a copy of the report (or report number) in case the bank, credit card company, or others need proof of the crime.

4. **Be a tattletale.** The FTC provides an ID Theft Affidavit (available on our web page under INFORMATION LINKS) that can help you organize and accurately record your complaint. All three major credit bureaus and most of the large lenders accept this form as notice from you. You can also call the ID Theft Clearinghouse toll-free at (877) ID-THEFT (438-4338) to report the theft. For more information on how to deal with credit-related ID theft, check out the ID Theft web site. If the crime involves your Social Security number, call (800) 269-0271 or visit the Social Security Administration's web site.

ID THIEF CUMMINGS GETS 14 YEARS IN PRISON

Cummings sold the passwords and codes needed to access consumer credit reports, resulting in up to \$100 million in losses for his victims.

Philip Cummings, the man who federal prosecutors say played a major role in the largest case of identity-theft in U.S. history, was sentenced to 14 years in prison Tuesday. Cummings was sentenced in



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Manhattan before U.S. District Judge George Daniels.

Cummings was employed as a help-desk worker for online credit-information provider Teledata Communications Inc. in 1999 and 2000. During that time, investigators said, Cummings sold the passwords and codes needed to access consumer credit reports. Thousands of credit reports were illegally accessed, and the government said the financial loss to victims ranged from \$50 million to \$100 million.

Cummings pleaded guilty in September to the scheme to sell the identities of 30,000 individuals. He pleaded to one count each of conspiracy, wire fraud, and fraud in connection with identification documents. He faced a sentence of up to 50 years in prison. (Jan. 12, 2005, George V. Hulme, InformationWeek)

FAIR, ISSAC & CO. CREDIT SCORES

I hope this explains a little about how the 3 digit Credit Scores are determined.

• **Payment History (35%)** - a score is negatively affected if consumers have paid bills late, been sent to collection or declared bankruptcy. The more recent the problem, the lower the score.

• **Outstanding debt (30%)** - if the amount owed is close to the credit limit, that is likely to have a negative effect on the score. A low balance on two cards is better than a high balance on one.

• **Length of credit history (15%)** - the longer the accounts have been open, the better.

• **Recent inquiries on the report (10%)** - if the consumer has recently applied for many new accounts, that may negatively affect the score. Promotional inquiries don't count.

• **Types of credit in use (10%)** - loans from finance companies generally lower your credit score. (Recovery Adviser, Vol 2, #3)

CREDIT CARD, BANK RATES MOSTLY STEADY

Consumer interest rates for credit cards and banking products stood relatively still the week ending Jan. 25, according to the latest Informa Research Services survey.

The average annual percentage rate, or APR, for platinum cards inched up to 11.24 percent from 11.23

percent the previous week. Interest rates ranged from a low of 5.25 percent to a high of 19.8 percent for the week and stood at 11.04 percent a month earlier. Rates for introductory purchase credit cards held steady with a 1.85 percent average, unchanged last week, and stood at 1.87 percent a month earlier. For the week ended Jan. 25, rates ranged from zero percent to 9.9 percent. Reward, or incentive-based, credit cards clung to their 12.24 percent average, also unchanged from last week, with a range of 5.9 percent to 17.24 percent. Rates stood at 12.08 percent a month earlier. (1-27-05, www.creditandcollectionnews.com)

AMERICANS RACKED UP RECORD DEBT IN 2004

Americans racked up a record amount of debt in 2004. Why the big increase?

Relaxed lending standards and low interest rates are leading many consumers to spend beyond their means. U.S. consumers are now \$2.1 trillion in debt. That debt load has doubled in just the past 10 years. Also doubling during that time are personal bankruptcies. One and a half million people are expected to file for bankruptcy in 2005.

By Design Financial Solutions is a debt counseling service. The office decorations include curtains made from thousands of credit cards cut up by debt-troubled customers. Though consumers continue to borrow, the credit counseling business is slow.

Rising home prices are allowing people to spend and stay solvent. "We think business hasn't increased because consumers are using the increased equity values in their properties to pay off consumer debt. When interest rates go up, there is a fear that that may drive a lot more consumers into foreclosure," said David Johnson with By Design Financial Solutions.

Even so, Chairman of the Federal Reserve, Allan Greenspan says household finances are in reasonably good shape with pockets of severe stress. "We need to be mindful of the difficulties these households face. In addition to the significant decline of consumer incomes or house prices could quickly alter the outcome," Greenspan said.

Federal regulators are concerned a

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about increasingly lax underwriting standards. Lenders are making home equity lines of credit easier to get so they are growing at a 40% annual rate. And more than half of all car dealers now approve auto loans without even checking with a lender.

Richard Brown, with the FDIC, says, "Certainly on the radar screen are the regulators. They're looking at credit practices, they're looking at the financial situation of households and are urging lenders to make sure that their price standards are more robust to more adverse macro-economic conditions."

This means conditions such as a sharp increase in interest rates or a sudden downturn in home prices. These are the main threats posed to consumers.

Still the average homeowner actually strengthened his balance sheet in recent years largely because of rising home prices. The household net worth jumped about 9-percent in 2004. (Jan. 18, 2005, klstv.com, Gary Waddell)

SPEAKERS

If you need a speaker for your civic organization or school, give us a call.

KCB INFORMATION SERVICES HOURS

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

Consumer credit reports are from Experian. Business reports are provided from Experian. Residential Mortgage Credit Reports and Merged Credit Reports may contain information from: the Kewanee Credit Bureau, Experian, TransUnion and/or Equifax. Criminal Background checks are from the Illinois State Police, Credit Commander or CreditRetriever. Tenant Screening reports are from Credit Retriever.

The KCB Information Services has served businesses since 1928 and serves the following counties for Experian: Adams, Brown, Bureau, Cass, Fulton, Hancock, Henderson, Henry, Knox, LaSalle, Logan, Marshall, Mason, McDonough, Peoria, Putnam, Schulyer, Stark, Tazewell, Warren & Woodford.

"If you let other people do it for you, they will do it to you."

Robert Anthony