

KEWANEE CREDIT BUREAU

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KNOWING BOGUS PHONE CODES CAN PROTECT YOU

For the past few years, con artists have scammed unwitting consumers out of thousands of dollars by using e-mail, answering machines and newspaper ad messages to lure people to call international pay-per-call phone lines in the 809 area code. Calls to 809 numbers are similar to 900 numbers, but without the regulations that accompany domestic calls.

Although the phone numbers look like any other US phone number, calls to 809 area code are actually directed to the Dominican Republic. Unfortunately, with the service of new area codes covering the Caribbean, the problem is no longer a matter of simply remembering not to call 809 numbers. New area codes to be aware of include: 242, 246, 268, 345, 441, 664, 671, 758, 767, 787, 868, 869 and 876. Also some 800 numbers roll over to these international pay-per-call numbers without the caller being notified (ACA Collector Jan 1997)

SMALL CLAIMS COSTS AMOUNT INCREASED

Effective Jan. 1, 1997, the amount for civil actions in small claims court (SC) increased from \$2,500.00 to \$5,000.00. LM cases are raised from \$5,000.01 to \$10,000.00. L cases are over \$50,000.

RISK SCORE MODELS TO OPTIMISTIC ACCORDING TO FED STUDY

Risk scores may not hold the predictions power that they claim to, according to results released in late November from a national survey conducted by the Federal Reserve Board. Nearly 2/3s of banks in the Fed's senior loan officer survey indicated that their credit scoring models failed to predict accurately the outcome of a consumer's loan performance. More specifically, risk scores understated delinquency, default, and bankruptcy rates.

As far as risk scores being too optimistic, Fair, Isaac Senior Vice Pres. and General counsel Peter McCorkell says that risk scores have never claimed to give an "absolute odds quote."

"What they are designed to do," says McCorkell, "is rank order borrowers by risk. As far as we're concerned, they do that."

Many respondents, according to the Fed's report, attributed the over optimistic nature of the risk scores to the short time period over which the models were estimated and to an increase in consumers' willingness to declare bankruptcy.

Defined simply as a statistical assessment of the data in a consumer's credit file, risk scores predict the financial performance of consumers--who might pay on time, be late, or default. Creditors, such as banks and department stores, use risk scores along with credit reports to determine crucial deciding factors about credit. Use of risk scores predates the passage of the original FCRA in 1970, but has become a much more common product for risk assessment in the last few years. (ACB Communicator, Jan 1997)

THE KEWANEE CREDIT BUREAU IS NOW SERVING TAZEWELL CO.

TRW is now letting us serve consumers and creditors in Tazewell County. Our office is located at 11 N 6th Suite B, Pekin IL. 61554.

Our mailing address is PO Box 305, Pekin IL 61555. From Tazewell, Woodford or Fulton County, we can be reached at: 888-852-2574.

PASS THIS AROUND

If you like our monthly newsletter, please pass it around to your other employees and offices.

KEWANEE CREDIT BUREAU HOURS

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