



The ONE SOURCE for all your credit reporting needs

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FEB. 28, 2006, Vol. 14, # 2

CREDIT SCORES

Questions on Credit Scores are number one of all questions asked of us.

Credit Scores are a numerical total of the information in your credit report.

But first, I want to emphasize what IS NOT used in the calculation of a Fair Isaac credit score:

Age of the consumer.

Address:

The present address or number of different addresses the consumers may have on the report. are not used in the calculation of the score.

Employment:

The present employer or number of different employers the consumers may have on the report. are not used in the calculation of the score.

Income or Lack of Income.

Gender.

Marital Status.

There are several different types of scores. Different companies have made their own models. **Each model uses different criteria and CAN NOT BE COMPARED to other models.** For example TransUnions Personal Score model is completely different than any Fair Isaac Model.

Each Credit Bureau, TU., Experian and Equifax offer credit scores from Fair Isaac, but they also offer their own models.

Some web sites like Truecredit.com and freecreditreport.com have their own credit score models. They offer their own model and by selling their own model, they won't have to pay a royalty to Fair Isaac. Most web sites will sell you their own scoring model, unless the consumer asks for the Fair Isaac score.

I can't explain how the other models work, but often the ranges are different. That is the easiest way to tell when a consumer has a **nonstandard** score model.

Experian Fair Isaacs scores range from 840 to 350, with 840 as a high and best score. Fair Isaac will offer up to 4 reasons for reducing the score. Scores of 800 and higher will often only have one or two reasons for reducing the score.

Fair Isaacs looks at:

- Payment History (35%)

- Outstanding debt (30%)
- Length of credit history (15%)
- Recent inquiries on the report(10%)
- Types of credit in use (10%)

Auto- and Mortgage-related inquiries that occur 30 days prior to scoring have no effect on the score.

Outside this 30-day period, auto-and mortgage-related inquiries that occur within a 14-day period are treated as a single inquiry.

Inquiries initiated by the consumer to look at their own reports do not count against the recent inquiries. Inquiries for employment, inquiries to the credit bureaus because of declined loans and inquiries to www.annualcreditreport.com will not count, either.

There are three basic Fair Isaac scores, Risk Model 1, Risk Model 2 and Risk Model 3. Risk Model 1 is being discontinued. It is an older version.

There are several, what I call, Sub-models, including: Bankcard, Personal Finance, Auto loan and Credit Union.

If you order a sub-model, Fair Isaacs performs the requested Risk Model first, then looks at the credit files with only the trade lines of the sub-model you have requested. If the scores from these files vary from the basic model, it will adjust the basic model's score.

Experian also offers several types of credit scoring, including; Bankruptcy models, RecoveryScore models, Fraud Shield scores, Scorex and other models both from Experian and other companies.

If you wish more information on any of the models or if you wish some of them turned on, just call or e-mail us.

PASSWORDS & LOG IN

I know we have said it before. If you are logging in to Experian for consumer or business loans, Experian requires you to change your password each 90 days. If you do not log in within the 90 days, your account will be changed to inactive. **If you do not log in within 180 days, you will be dropped.**

We recommend you log in on the first of each month, even if you have no reports to pull. By logging on and then logging out, you will keep the account and the user name active.

US CONSUMER CREDIT UP \$3.35 BLN IN DEC.

WASHINGTON, Feb 7 (Reuters) - U.S. consumer credit rose by a less-than-expected \$3.35 billion in December as credit card debt dipped, while consumer credit for the full year posted the smallest rise since 1992, a Federal Reserve report showed on Tuesday.

Analysts polled by Reuters were expecting a \$4.5 billion rise in consumer credit in the month after a revised \$568 million gain in November that was originally reported as a \$649 million decline.

Consumer credit outstanding rose to \$2.162 trillion in December, an annual rate of 1.9 percent gain from the revised \$2.158 trillion in November.

Revolving credit, which includes credit and charge cards, climbed 2.6 percent for the year, the smallest increase since 2.5 percent in 1980. In December, revolving credit fell \$939 million.

Non-revolving credit -- closed-end loans for cars, boats, education expenses and holidays -- rose 3.2 percent in 2005, the weakest performance since a 1.2 percent drop in 1992.

Non-revolving credit rose \$4.29 billion in December.

SPEAKERS

If you need a speaker for your civic organization or school, give us a call. Our current topics are: ID Theft and free and not so free credit reports and how and when to get them.

KCB INFO SERVICES HOURS

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

KCB Information Services offers: Consumer credit reports, Business Credit reports, Employment Credit reports, Residential Mortgage Credit Reports, Merged Credit Reports, Criminal background checks, Tenant Screening Reports, Flood Zone Determination, Flood Life of Loan Certification, Identity Authentication and eFunds Debit Reports.

The KCB Information Services has served businesses since 1928 and serves central Illinois for Experian and Equifax.

"I've learned that we are responsible for what we do, unless we are celebrities.."
-- Anonymous