



### The ONE SOURCE for all your credit reporting needs

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## GET THE MOST OUT OUR YOUR CREDIT BUREAU

Our goal is to provide you with the ONE SOURCE you need for all your credit reporting needs. You don't need to go to several different companies to get the information you need.

Are you renting to the wrong people or are you not renting to those you should be?

Are you lending money to those who don't deserve it and missing those who need it?

Are you correctly conducting complete background checks on potential and current employees? Contrary to the mis-information on many news casts, you can do Employment Credit reports and criminal background checks on prospective and current employees. Just call us, we will provide you the correct information.

We conduct classes and training on how to read and understand credit reports and credit scores. We have decisioning programs to help you make more consistent lending and credit granting decisions. If you need multiple bureau (2 or 3 bureau) reports, we can provide them. Did you know you can get a two bureau report with only one score?

We can provide you with several types of Business reports, Income verifications, R/E Tax Payment verifications and Flood Zone information.

**All of our programs, allow you to enter the correct purpose codes.** That means you can pull an Employment Report, a Refresh Report, an Account Review Report, an Auto Loan, Student Loan or Mortgage Loan Report **without damaging your customers credit reports.**

### DON'T BE FOOLED!!

We are still getting calls from our members telling us some of the sales pitches they have received.

I don't know of any other credit credit bureau that can provide all the services we provide.

If one of our competitors tries to sell you on a new system, just ask them:

- Does their programs allow you to, correctly, pull all the types of credit reports you need with the proper Purpose Codes?
- Do they even know what a Purpose Code is? (If they don't even know how to properly pull a credit report, can you trust anything after that?)
- **Can they help you and your customers correct incorrect credit reports?**
- Ask them if they are Certified FICO Pros and if they offer classes on the correct way to pull and read reports!
- Have they taken any classes on credit reports?
- Have they or their owners ever made a loan or been a land lord?
- Have they been in business for 85 years?

• Are they locally owned, right here in Illinois? Are you looking for a good LOS.

Our **LoansPQ** and **XpressAccounts** are for both Banks and Credit Unions.

**LoansPQ offers many features not available from any other system!!**

Here are a few of them:

- *Single platform for deposits and consumer loan origination.*
- *Supports all deposit types.*
- *Support all consumer loans (credit card, vehicle, indirect, personal, home equity).*
- *All origination channels supported .... online, in-branch, call-center, mobile*
- *A-la-carte deployment ... deploy the components you need.*
- *700+ Bank and CU clients today*
- *Dynamic doc prep engine built-in to auto-generate/auto-populate your current doc provider forms.*
- *Excellent customer track record .... system and support*
- *Single integration point to FI's core processing system.*

Would you buy a car from Honest Johns Used Car Sales? I have always felt that if a person needs to put a description, such as HONEST, in their name, just to make me trust or feel better about them, I am taking my business somewhere else.

Before you look anywhere else, we have been here for you for 85 years.



April 20 to April 27, 2013

Money Smart Week was started by the Federal Reserve Bank of Chicago 11 years ago. It is now in Ind. Wis., Iowa, the Quad Cities, Rockford, Peoria Tri-County Area, Champaign, Bloomington/Normal, Decatur and Springfield. Two other Federal Reserve offices have also picked up the program. Classes on financial matters are sponsored by over 300 partners, including The Illinois Treasurer's office, Illinois St. Univ., National City (PNC), KCB Information Services, Heritage Bank, CEFUCU, Krogers, Heartland Bank, Friendship House, Common Place, and the Creittenton Centers.

All classes are free and they range from buying groceries, to family budgeting, to buying a home, to understanding credit scores, to

planning a funeral and many other subjects are covered. [www.moneysmartweek.org](http://www.moneysmartweek.org)

## U.S. CREDIT UNION EARNINGS REACH ALL-TIME HIGH

Federally insured credit union earnings reached an all-time high of \$8.5 billion in 2012. Earnings are up 36.1 percent from 2011. Membership grew 2.2 percent to 93.8 million, but the number of federally insured credit unions dropped to 6,819, down 275 from a year ago. Lending improved 4.6 percent to \$597.7 billion. That included \$246.3 billion in first mortgage real estate loans, up 5.7 percent. It also included \$63.3 billion in new automobile loans, up 8.7 percent from last year. "There are many reasons to be optimistic about the credit union industry's future," Debbie Matz, chairwoman of the National Credit Union Administration, said in a release. "But because of today's low interest rates, we also continue to keep a close eye on fixed-rate mortgages, which remain elevated as a share of assets and could pose a long-term risk for the industry." Most of the nationwide growth in credit unions came from institutions with more than \$250 million in assets. (3-5-13, CreditandCollectionnews.com)

## KA-CHING! U.S. CONSUMER BORROWING AT HIGHEST LEVEL EVER

Americans stepped up borrowing in January to buy cars and attend school, while staying cautious about using their credit cards.

The Federal Reserve says consumer borrowing rose \$16.15 billion in January from December to a total of \$2.8 trillion. That's the highest level on record.

Economists polled by Reuters had expected a \$14.5-billion increase.

A category that covers student loans and auto loans grew \$16 billion following an \$18.3-billion gain in December.

Consumers barely increased credit-card debt in January, when higher Social Security taxes lowered take-home pay for most workers.

A measure of credit-card debt rose only \$106.1 million. That followed a \$3.2 billion drop in December. Credit-card debt remains 17.2 percent below the peak set in June 2008. (3-7-13, CNBC.com)

*We will have two classes in Bloomington, Peoria and Pekin. The classes we sponsor are:*

Monday April 22nd at Schnuck's, 4800 N University, Peoria, IL, Credit Scores: The Silent Kill at 1:00pm and I. D. Theft: Prevention and Recovery at 2:00pm.

Tuesday, April 23rd, at the YWCA, 1201 Hersey, Bloomington, IL, Credit Scores: The Silent Killer at 9:00am, I. D. Theft: Prevention and Recover at 10:00am.

The Silent Killer at 9:30am on April 25 at the Pekin Library.



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## **DEBT PROBLEMS TOP LIST OF CONSUMER COMPLAINTS, ILLINOIS AG SAYS**

For the fifth year, consumer debt complaints topped the list of concerns reported to Illinois the Attorney General Lisa Madigan's office, according to a 2012 Top 10 list released today. The complaints "ranged from problems with mortgages, debt collection agencies to credit card companies," Madigan said Tuesday. "Even the most commonplace consumer transactions have become more complex and fraught with risk and nowhere has that been more obvious than in mortgage market where toxic loans have destroyed our economy."

New on the list this year was a complaint category against schools including for-profit colleges that have come under increased national and state scrutiny in the last few years for questionable recruitment techniques, falsifying job placement rates and downplaying the ultimate cost of attending. Madigan's office said that it received more than 1,300 such complaints last year, many stemming from her 2012 lawsuit against Westwood College. The suit alleged that students were left with up to \$70,000 in debt for in debt for degrees that failed to qualify them for careers in criminal justice. It further said that students were not given enough information about their loans. (3-6-13, [CreditandCollectionnews.com](http://CreditandCollectionnews.com))

## **COLO. WAITRESS GETS OWN STOLEN ID WHEN CARDING PATRON**

A Colorado waitress checking to see if a female patron was legally old enough to drink was handed her own stolen driver's license.

KDVR.com reports that Brianna Priddy, of Lakewood, pretended nothing was wrong when the unidentified customer presented her with the license.

"I don't know how I kept it cool. I wanted to jump across the table and go at her," Priddy told the station.

Priddy reportedly went to the back of the restaurant and called police, explaining that her wallet had been stolen a month earlier.

Police told KDVR.com that the suspect used the license to write bad checks and was also selling drugs.

The woman faces identity theft charges, according to the report. (3-7-13, [FoxNews.com](http://FoxNews.com))

## **SURPRISE! FORGIVEN DEBT MAY BE TAXABLE INCOME**

Creditors are often willing to negotiate a significant discount to settle a debt they know the customer can't pay in full. Millions of Americans buried in consumer debt took advantage of such a settlement offer last year.

Now it's time to pay taxes on the part of the debt that was forgiven.

"If you had any debt that was forgiven and the amount you saved was more than \$600, the IRS considers that taxable income," said Bill Hardekopf, CEO of [Lowcards.com](http://Lowcards.com). "You need to claim that on your tax return."

Let's say you owed the credit card company \$15,000 and they let you settle the account for only \$10,000. The \$5,000 they forgave is taxable. If you're in the 15 percent tax bracket, you'd owe \$750. Clearly, that's easier on your budget than the \$5,000 you owed, but it could come as quite a shock if you didn't know about it.

In general, any creditor or debt collector who agrees to reduce the balance you owe by \$600 or more is required to report that to the IRS. They file a form 1099-C and send you a copy.

"People tend to miss this because they didn't see any cash from the debt settlement and therefore they just assume this is not income," explained Certified Public Accountant Carmen Aguiar, CEO of The Aguiar Group in Bellevue, Wash. "This puts you at risk of being audited or hit with penalties and interest."

Credit counselors tell me some people are surprised to get the 1099-C form in the mail.

"A lot of these creditors and debt settlement companies don't disclose when the settlement is negotiated that the consumer can expect this tax liability later on," said Bruce McClary, director of media relations with [Clearpoint Credit Counseling Solutions](http://Clearpoint Credit Counseling Solutions).

And there's no law that requires them to provide this information. So when a letter arrives from a past credit or collection agency, it's easy to assume that it's trash and throw it away.

"The way they find out that they owe taxes on the settlement is when they hear from the IRS asking why they didn't pay a tax liability reported by their creditor," McClary said.

The IRS expects to get 6.5 million 1099-C debt forgiveness forms this tax season. Tax preparers say it's important to make sure the information is correct.

"They are not always accurate," Aguiar told me. "They may show the entire debt, not just the amount that was forgiven."

The 1099-C is a complicated form. If you get one and don't understand how to read it, contact a tax professional. If the information is wrong, you need to contact the company and ask that a corrected 1099-C be filed.

"You have a right to dispute the 1099-C if you believe the information is incorrect and you have documentation of that," McClary advised. Some types of forgiven debt are exempt from federal taxes. According to [CreditCards.com](http://CreditCards.com) these include: debts discharged in bankruptcy, mortgage debt forgiven in foreclosure, debts cancelled when you are insolvent and some student loan debt. (3-15-13, [CNBC](http://CNBC))

## **INCREASED FEES**

We have been notified of an increase in Experian Business Credit Report fees:

Business Profile: \$37.00  
Business Profile & Intelliscore: \$47.00  
Premier Profile: \$45.00  
No Record: \$ 1.00  
List OF Similar: \$10.00  
Business Summary: \$12.00  
Business Owners Profile: \$15.00

For our Mortgage Report members, Point has raised their fee from 50¢ to \$1.00 per report.

## **THE UNKNOWN COSTS OF DODD-FRANK BANKING REGULATIONS**

A recent study from the FDIC makes it clear that no one has any idea what compliance with financial regulations, including the Dodd-Frank financial reforms, actually costs. Here's the language from the study's executive summary: One question the study tried to address was how regulatory costs have changed for community banks over time. Unfortunately, the data available through Call Reports and other regulatory filings do not provide a breakdown of regulatory versus other types of noninterest expenses. As part of this study, the FDIC conducted interviews with nine community bankers to better understand what drives the cost of regulatory compliance at their bank (see Appendix B). Most interview participants stated that while no one regulation or practice had a significant effect on their institution, the cumulative effects of regulatory requirements led them to increase staff over the past ten years. Moreover, the interviews indicated that it would be costly in itself to collect more detailed information about regulatory costs. As a result, measuring the effect of regulation remains an important question that presents a challenge. In short, no one knows nothing. (3-21-13, [CreditandCollectionnews.com](http://CreditandCollectionnews.com))

## **KCB INFO SERVICES HOURS**

Monday - Friday 9:00am to 4:30pm  
Close from 12:30pm to 1:30pm

KCB Information Services offers: Consumer Credit Reports, *ServicePlus* Credit Reports Collections Reports, Employment Credit reports, Residential Mortgage Credit Reports, Merged Credit Reports, Fannie Mae & Freddie Mac access, Criminal background checks, LiveScan Finger Printing, Tenant Screening Reports, Flood Zone Determination, Flood Life of Loan Certification, AVMs, 4506-T, Income Tax Verifications, Real Estate Tax Payment Verifications and Identity Authentication.

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