

# KEWANEE CREDIT BUREAU

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## **CREDIT REPORTING HINT!**

The three major repositories of credit data store consumer information first by name, then by address and then by social security number. Searches for consumer credit reports are completed in that same order. If you want to get the most and best credit report, and I am sure you do want a complete report, always get the current and at least one previous address. So when using your terminal or computer or when calling us for credit reports, remember: FULL NAME (including middle initial), CURRENT and ONE OR TWO PREVIOUS ADDRESSES and SOCIAL SECURITY NUMBER. If you have the present employment and birth date, we can enter that information also.

## **WE HAVE A NEW EMPLOYEE**

Many of you have already talked to Melinda Gauerke. Melinda started March 1st, and works Monday, Wednesday and Friday afternoons. She is also a student at Blackhawk College.

## **THANKS FOR YOUR SUPPORT**

Last August was our best month for processing Residential Mortgage Credit Reports. But this month, March, exceeded August by more than 10%. The number of Consumer Credit reports pulled by our members was also up more than 15%. That is a indication of strong economy in Central Illinois.

## **PERMISSIBLE PURPOSE IN QUESTION**

The FCRA permits consumer credit reporting agencies to evaluate the creditworthiness of an applicant. A Connecticut judge recently ruled that not only is this true, but a creditor may also obtain a credit report on a consumer with an existing account, to review the consumer's most current information. (Grenier v Equifax Credit Information Services, 892 F. Supp. 57 (D.Conn. 1995))  
The specifics of the case included an American Express cardholder who sued a credit bureau

alleging that the bureau had breached the FCRA by furnishing American Express a credit report after the account had already been secured. At that point, argued the consumer, American Express had no permissible purpose. The FCRA, however, expressly states that a credit reporting agency may furnish a consumer report to a creditor who wants it for "review or collection of an account." (Consumer Credit and Truth-in-lending Compliance Report 2/96).

## **CREDIT WHERE CREDIT IS DUE**

The fact that a governor of a Federal Reserve Board got turned down for a credit card is almost laughable. And the fact that it was Lawrence B. Lindsey, the central banker most involved with consumer credit, who has been warning of the danger inherent in bankers and other lenders turning their decision-making responsibilities over to automated systems, makes it even more ironic.

According to a recent Wall Street Journal article, Mr Lindsey applied for a Toys "R" Us card through Bank of New York, Delaware, which uses a strict credit-scoring system. The Federal Reserve official had refinanced a mortgage; extended a line of credit and had several "routine reviews" of his credit files over the past year.

So in spite of the fact that Mr. Lindsey has a perfect payment record and adequate income for the credit card account he wanted to open, the number of lenders just looking at his background disqualified him under BofNY's credit scoring. And it seems, at the Delaware-based credit card operation, while a human being reviews all approvals, no one looks at the rejections based solely on score.

Of course, as soon as the commercial bank learned that it had rejected an application from a VIP, if offered to issue a card with the full amount of credit Mr. Lindsey had been seeking. (NAICRA News, Feb-Mar 1996)

## **KEWANEE CREDIT BUREAU HOURS**

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