



The ONE SOURCE for all your credit reporting needs

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SIGNATURE REQUIRED

Unless you are a bank or CU with an attorney approved Application Process, you must have the applicant sign an application authorizing you to access their file.

MOST COMMON CREDIT SCORING ERRORS..

Are made by lenders using or failing to use the proper permissible purpose (type code) when requesting a credit report. *When a lender uses the wrong code or fails to enter any code, FICO is unable to determine the purpose of the loan request.* Since FICO uses the Permissible Purpose code in calculating the score, the resulting score could be incorrect for one year.

The solution is simple. Enter the correct code every time you pull a credit report!!

80th BIRTHDAY

Many credit bureaus have disappeared; the Peoria Credit Bureau, the Bloomington Credit Bureau, Princeton Credit Bureau, Lincoln Credit Bureau, Kankakee Credit Bureau and the Galesburg Credit Bureau, to name a few.

In June 2008 we will celebrate our 80th birthday. Mark your calendars for June 5 2008. That is the day we will have our 80th birthday party.

INCORRECT CREDIT REPORTS

If you are a member of KCB, and have pulled a report on one of your customers, we can assist your customers if they need to correct incorrect information on their reports. We can also provide them with a copy of their report.

If you have pulled one of our MCL Merged or Mortgage reports, there is a "Consumer Copy" you can give to your customer. Just go to the OTHER REPORTS section and click on "Consumer Copy." This credit report has the phone numbers for all three bureaus and our number. With the INSTANT VIEW option, you can allow consumers to print out their report on their own computer.

Please don't tell your customers to call the other bureaus. They will not be able to talk to anyone. If they have a problem or question on their reports, just have them call us.

You can also direct your customers to our web page if they have a credit fraud or ID Theft problem. Our ID Theft web page has tips on

preventing ID Theft and they can get the FTC's ID Theft Affidavit. This affidavit will be needed to be completed if someone becomes a victim of ID Theft.

We also have a web page for people who are buying or refinancing their home. This page has an easy 5 step process that will help the your customer and it will make your job easier when they come in to apply for their loan.

EXPERIAN'S NEW U.S. CREDIT PROFILE REPORT

If you are logging on to Experian's eSolutions to get your credit reports, you may have seen their new credit report.

If you don't like their new report format, there is a way to switch back.

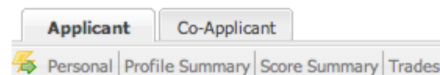
1st, log on to Experian's eSolutions and click on HOME and Preferences.

Under Log in Preferences, you should check "Credit Profile Inquiry." The inquiry application page will start up each time you log in.

2nd, Click "Consumer credit" and mark the "Classic TTY." The "Display headings" will also be checked. This should revert the format back to the one you were getting.

If you pull a JOINT report, the report will display each person, individually. To display and print the Co-Applicant, you must click on Co-Applicant tab.

U.S. Credit Profile Report



If you have any questions on any of the three formats offered by Experian, please call us.

EMPLOYMENT CREDIT REPORTS AND CRIMINAL BACK GROUND CHECKS

First: It is a violation of the Fair Credit Reporting Act to pull a regular consumer credit report for Employment Purposes. *The fine is \$2,500 per violation and/or two years in Federal prison.* This penalty is for both the employee pulling the report and the company requesting the report!

Second: The FCRA has two requirements before you pull an Employment Credit Report and one after you pull the report.

1. You need a written authorization to pull the report. This written authorization must be separate from the Employment Application.

2. You must give the Applicant a copy of the "Summary of Consumer Rights."

3. After you pull the report, you must provide a copy to the applicant.

We recommend you pull an Employment Credit report first. This will give you Judgments, Tax Liens, Collections, trade lines (info from creditors), current and previous address, other names the person may be using, employments and a list of people who have inquired.

Criminal Back Ground Checks: There are many different types. There are state searches, Federal Court searches, DOC Searches and County Searches, to name a few. There are also searches and services that require finger prints. And there are different costs to each of these. The Finger print searches are much more expensive.

If you still want to hire the individual, now you can do a criminal report. Our "US Criminal Report" gives you a list of the jurisdictions searched. If the person lives in a county or state not searched, you may wish to choose a different criminal search.

If you have any questions about the Employment report or any of our Criminal searches, please call us.

CREDIT SCORING SEMINAR

Our next seminar on credit scoring, for our members only, will be in our office at 10:00am on June 13th. This is free to our members.

You will learn:

1. A brief history of credit bureaus. 2. The evolution of credit scoring. 3. The five main elements and the two universal score factors of the score models. 4. What percentage of people fall in the different scores. 5. The odds of a person becoming delinquent for different score levels. 6. How to improve your or your customers scores. 7. The possible future of credit scoring.

ABA: Q4 DELINQUENCIES HIT ALL TRACKED LOAN TYPES

Consumer credit delinquencies in the fourth quarter of 2007 reached their highest levels since 1992, according to the American Bankers Association's Consumer Credit Delinquency Bulletin, released Thursday. The composite ratio, which tracks eight closed-end installment loan categories, rose 42 basis points (bps) to 2.65% of all accounts in 2007's fourth quarter (seasonally adjusted), compared with 2.23% in the fourth quarter of 2006. All eight loan categories experienced higher delinquencies in



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the fourth quarter, a rare occurrence, ABA stated in a news release. ABA Chief Economist James Chessen attributed the rise largely to auto loan delinquencies.

The auto loan category comprises about two-thirds of all closed-end consumer installment loans. Direct auto loan delinquencies reached 1.90%, up from 1.85% in the same period of 2006. Indirect auto loan delinquencies hit 3.13%, from 2.57% in the same period of 2006. The number of delinquent bank card accounts fell 18 bps to 4.38%, from 4.56% in the fourth quarter of 2006, and remains close to the five-year average of 4.40%, ABA reports. "The rise in consumer credit delinquencies is consistent with a rapidly slowing economy," Chessen said. "Stress in the housing market still dominates the story but it's a broader tale of an overall weak economy." Troubles in the housing market continue to be reflected in rising delinquency rates for home equity loans and lines of credit. Delinquencies for home equity lines of credit – the lowest delinquency rate category – rose 39 bps from 0.57% a year earlier to 0.96%. Late payments on home equity loans grew 47 bps to 2.39% from 1.92% a year earlier. Chessen predicts delinquencies will continue to rise during the first half of 2008. "No relief for consumers is in sight as food and gas prices remain stubbornly high and income growth is anemic," he said. (4-3-08, CreditandCollectionsWorld.com and SourceMedia, Inc.)

LATE AUTO PAYMENTS DRIVE CONSUMER DELINQUENCY RATE HIGHER

A rise in late payments for auto loans drove overall consumer delinquencies higher in the fourth quarter of 2007 to reach levels last seen in 1992, according to the American Bankers Association's Consumer Credit Delinquency Bulletin released yesterday.

The ABA's composite ratio of consumer delinquencies rose to 2.65 percent of all accounts in the fourth quarter, up from 2.44 percent in the third quarter.

"The rise in consumer credit delinquencies is consistent with a rapidly slowing economy," James Chessen, the ABA's chief economist, said in a press release.

The ABA creates its composite ratio of delinquencies by tracking eight closed-end installment loan categories. Two of the largest are Home Equity and Auto.

Delinquencies on indirect auto loans, such as those from a dealership, rose 27 basis points to

3.13 percent. Indirect auto loans account for about 90 percent of all auto loans, according to an ABA spokesperson. Delinquencies on direct auto loans from a bank rose to 1.90 percent in the fourth quarter from 1.81 percent.

Chessen noted that the auto loans category accounts for about two-thirds of all close-end consumer installment loans. Home equity loans also looked weak with delinquencies increasing to 2.39 percent from 2.28 percent

The ABA also tracks Bank card delinquencies though the category is not included in its composite ratio. The number of delinquent bank card loans rose 20 basis points to 4.38 percent, still below the five-year average of 4.40 percent for the category, according to the ABA. (by Burney Simpson, insideARM.com, April 4, 2008)

TAXES

This is from CNN on 4-10-08:

1% of the people in the US pay 40% of the taxes.

10% of the people in the US pay 70% of the taxes

40% of the people in the US pay no taxes but receive a check from the the government.

CONSUMER CREDIT GROWTH SLOWS IN FEBRUARY

Although overall consumer credit growth slowed in February, credit card spending was still robust, growing at a 5.9% annual rate.

The Federal Reserve reported late Monday that consumer credit in the United States increased by \$5.3 billion, or at an annual rate of 2.4 percent. Nearly all of the gains were in credit card growth.

The numbers were in line with what analysts had been expecting. A poll conducted by Thompson Financial had economists predicting growth of \$5.2 billion for the month. But the big surprise was the revision the Fed gave to January's preliminary numbers.

Last month, the Fed reported that consumer credit expanded by \$6.9 billion in the first month of 2008. On Monday, the group revised that number to \$10.3 billion. The revision was based on growth in non-revolving credit growth, such as auto and personal loans. The Fed said Monday that non-revolving debt grew at a 3.6 percent annual rate, much higher than the 1.1 percent it initially reported last month.

In February, the Fed said that consumers added \$4.7 billion to revolving loan balances,

primarily composed of credit card balances. The growth rate in February for credit card balances was 5.9 percent annualized.

Non-revolving credit growth slowed considerably in February, dropping to a 0.4 percent annual rate and adding only \$500 million in total balances.

Total consumer credit outstanding in the U.S. stood at \$2.54 trillion at the end of February. (by Patrick Lunsford, insideARM, April 8, 2008)

EQUIFAX CHIEF EARNS \$8.4 MILLION IN 2007

The chairman and CEO of Equifax Inc. received total compensation of \$8.4 million last year, a rise of 18 percent from the previous year, according to filings with the U.S. Securities and Exchange Commission.

Richard F. Smith's pay included \$1.3 million in salary, a \$536,154 bonus, \$3.3 million in stock awards, \$714,364 in options, \$1.5 million in a non-equity incentive plan, \$46,230 in financial planning, \$2,829 for physicals, \$12, 188 in club dues, and \$1,521 for a security system for his home.

Equifax's net income last year was virtually flat at \$272.7 million as revenues grew 19 percent to \$1.8 billion. The Atlanta-based consumer information firm last year paid \$1.2 billion for Tax Corp., a provider of employment verification services. (by insideARM staff April 3, 2008)

SPEAKERS

If you need a speaker for your service organization, give us a call. We have presentations for ID Theft, Credit Scoring and Credit Reports.

If you need us to talk to your employees or if you need training about any credit related products or services, we will be glad to come to your office.

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 KCB Checking History Reports.

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