



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

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## BEST NATIONAL CREDIT BUREAU?

We are often asked: Which of the three national bureaus, (repositories) are the best?" That is difficult to answer, because everyone has a different idea as to what is "best."

So, I looked at the data each bureau reported. I didn't look at services provided or consumer friendliness.

I looked at the last ten mortgage reports pulled by our customers. These were three bureau reports, so there should be a good representation of TransUnion, Experian and Equifax. I counted the total trade lines and then I counted the trade lines reported by only one bureau. The results were very interesting.

The total trade lines reported:

| Experian | TransUnion | Equifax |
|----------|------------|---------|
| 278      | 259        | 241     |

Trade lines reported by only one bureau:

| Experian | TransUnion | Equifax |
|----------|------------|---------|
| 28       | 7          | 2       |

If you would like to pull reports from any or all three national bureaus: Experian, TransUnion or Equifax, you can with either our ServicePlus or KCB Express Credit reports. Call us today to learn how.

## BUSINESS CREDIT REPORTS

### Experian Business Profile

Business Profile is different from other credit reports in that our information is based on objective third parties reporting actual payment history. Our trade data is collected from credit grantors like you to ensure quality and consistency. One of our most popular reports, Business Profile gives you detailed information drawn from a variety of sources.

With Business Profile a business' risk potential is expressed using Days Beyond Terms (DBT). The DBT provides a single value for determining payment status, expressed as the average number of days past the "invoice due" date. This information is then augmented with other information to give you a detailed understanding of a firm's creditworthiness.

In addition to trade payment trends, Business Profile contains public record information including bankruptcies, tax liens and Uniform Commercial Code filings. Business Profile also provides company background information to help identify potential fraud by validating a

company's identity. There is a wealth of information provided in this report.

90% of companies are classified as small business enterprises in the United States today. As you know, finding information on small businesses is often difficult. Experian is the recognized leader in capturing data on small businesses. If you need information on larger, publicly held corporations — we have that information too. The Standard and Poor's section, and you will find key financial information such as operating statements and balance sheets.

### Business Summary

*For quick evaluation of low balance accounts*

One of the biggest challenges in risk management is effectively matching the appropriate level of credit assessment resources to the amount of transaction risk.

"Low risk" and "no risk" are not synonymous. Most companies manage customer transactions of all different sizes. Smaller balance transactions often receive inadequate scrutiny because traditional credit report services prove cost-prohibitive. But these transactions still represent risk to your bottom line and can add up fast.

**The right level of detail to match the right level of risk.** Experian has developed a low cost summary credit report, called Business Summary, to help you make quick, effective assessments of your low balance transactions. This one page report is the cost-effective tool you need to make sound decisions on questionable, smaller accounts. The Business Summary could also be used to verify information when opening new business checking accounts. It can also be used for farmers who have incorporated.

## METRONET SEARCHES

Metronet is an excellent non-FCRA source of information for bank and CU collection departments and collection agencies.

MetroNet provides access to comprehensive contact data on more than 140 million households and 19 million businesses **for as little as 25¢ per search.**

You can search for the following information through MetroNet:

- \* **Name Searches** provide up to five surnames with addresses & telephone numbers.
- \* **Address Searches** provide name, address, city/state/zip, telephone number (if available), change of address (if available), time on file, household member names and month/year of birth (if available).
- \* **Social Security Number Searches** provides name, address, city/state/zip.

\* **Neighbor Searches** provide name, address, city/state/zip, phone number (if available), and time on file for up to 30 neighbors.

\* **Phone Searches** provides name, address, city/state/zip, telephone number (if available).

\* **Change of address information**

\* **Phone Searches** provides name, address, city/state/zip, telephone number (if available).

\* **Current Name and Address** associated with telephone numbers

\* **Comprehensive Search** – uses the best of the Experian File One database, in conjunction with the MetroNet database, to provide skip-tracing professionals with a dynamic, one-click search that identifies updated contact information.

\* **Best known address for Social Security numbers**

\* **Neighbor names, addresses and telephone numbers** for current addresses and former addresses

\* **Other household members**

\* **Surnames**

\* **Business names and addresses**

\* **Standard Industrial Classification (SIC)** codes or categories

MetroNet also offers three search options from Experian's File One database:

- \* File One Phones
- \* Best address
- \* Comprehensive search which uses the best of the File One database in conjunction with the MetroNet core database

MetroNet can be accessed in a batch mode, through user-friendly interactive interfaces and through Experian's Collection Advantage service. The online and interactive access methods are Web, XML, mainframe and IP to IP.

More information is on our web page. Just click on CREDIT PRODUCTS and then click on METRONET.

## ARE CORPORATIONS PREPARED FOR DATA BREACHES?

Experian Data Breach Resolution and the Ponemon Institute today released a new study that finds that, despite the majority of companies experiencing or anticipating significant cost and business disruption due to a material data breach, they still struggle to take the proper measures to mitigate damage in the wake of an incident. The report, *Is Your Company Ready for a Big Data Breach?*, examines the consequences of data breach incidents and the steps taken to lessen future damage. Respondents include senior privacy and compliance professionals of organizations that experienced at least one data breach.



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The top three industries represented are retail, health and pharmaceuticals, and financial services. "A majority of companies we surveyed indicate they have already or are very likely to lose customers and business partners, receive negative publicity and face serious financial consequences due to a data breach," said Michael Bruemmer, vice president at Experian Data Breach Resolution. "Yet, despite understanding the consequences, many companies struggle to take the right steps to mitigate the fallout following an incident, demonstrating a need for better awareness and investment in the tools that can alleviate negative customer perceptions." (4-23-13, creditandcollectionnews.com)

**LEXISNEXIS PAYS \$14M IN SUIT OVER REPORTS SOLD TO DEBT COLLECTORS**

LexisNexis Risk & Analytics Group Inc. will pay \$13.5 million and overhaul its Accurant background search product to settle a national class action suit, according to the Law360 website. The suit claims the company sold reports to debt collectors without following consumer protection laws, the site said. About 31,000 class members reportedly will get a payment from the \$13.5 million deal under the proposed settlement. The website said LexisNexis also will separate its sale of Accurant for Collections reports based on content and use, according to a joint motion to approve the settlement. The dispute centered on whether Accurant reports, which were used by debt collectors to track down consumers, were "consumer reports" as defined under the Fair Credit Reporting Act, the site said. LexisNexis reportedly will split Accurant for Collections into two product and service lines, each containing separate sets of information for different uses. One product line will be treated by the company as falling within the FCRA's "consumer report" definition, according to Law360. LexisNexis Risk & Analytics Group is headquartered in the Atlanta area.

**EXCERPT FROM CREDIT REPORTING RESOURCE GUIDE® FREQUENTLY ASKED QUESTIONS & ANSWERS**

**45. Question: How should accounts in forbearance be reported?**

Answer: Forbearance is a period of time during repayment in which a borrower is permitted to temporarily postpone making regular monthly payments. The debt is not forgiven, but regular payments are suspended until a later time. As an example, forbearance may be granted if a borrower is experiencing temporary financial difficulty. The consumer may be making reduced payments, interest-only payments or no payments. If the account is in forbearance, report:

- Terms Duration = terms of the loan, which can be changed if the terms of the loan are extended
  - Terms Frequency = frequency for payments due (If no payments are due during the forbearance time period, report code **D** for deferred.)
  - Scheduled Monthly Payment Amount = new payment due (If no payments are due during the forbearance time period, zero fill.)
  - Account Status = appropriate code that specifies the status of the account for each month the account is in forbearance (e.g., Current, 30 days delinquent, 60 days delinquent)
  - (If no payments are due during the forbearance time period, report Account Status **11**.)
  - Payment History Profile = appropriate code that specifies the previous month's Account Status for each month the account is in forbearance, plus prior history (Increment the Payment History Profile with value **D** if no payments are due during the forbearance time period.)
  - Special Comment Code = **CP** (Account in forbearance)
  - Current Balance = outstanding current balance, reflecting any payments made
  - Amount Past Due = outstanding past due amount, if the account is delinquent during the forbearance time period
  - K4 Specialized Payment Indicator = **02** and Deferred Payment Start Date (If payments are deferred during the forbearance time period)
- NOTE:** A forbearance agreement is most commonly applied to mortgages and student loans. However, forbearance is applicable to any type of loan.

**56. Question: How should an account be reported when the consumer is affected by a natural or declared disaster?**

Answer: Use the following reporting guidelines, which apply to the trade and/or collection account level.

**Open Accounts** – defined as Account Status Code 11 (Current account) or 71,78, 80, 82, 83 or 84 (Delinquent accounts).

There are three options for reporting:

1. Report the Account Status **that applies to the account** (credit grantor's decision). Report Special Comment **AW** (Affected by natural or declared disaster).
2. Report Account Status **11** (Current account) and Special Comment **AW** (Affected by natural or declared disaster).
3. Report the account as deferred, along with Special Comment **AW** (Affected by natural or declared disaster). Report the following Base Segment fields as specified:

- Terms Duration = blank
- Terms Frequency = **D** (Deferred) **Required for deferred accounts**
- Highest Credit or Original Loan Amount = the total amount borrowed
- Scheduled Monthly Payment Amount = zero
- Account Status Code = 11 (Current account)
- Payment History Profile = Use Character **D** for the months where payments are deferred.
- Current Balance = the total amount borrowed minus any payments which have been made
- Amount Past Due = zero

If the Deferred Payment Start Date is known, report the K4 Segment with Specialized Payment Indicator **02** for Deferred Payment. Also, report the **Deferred Payment Start Date** as the date the first payment will be due. If the deferred payment start date is not known, do not report the K4 Segment.

**Closed Accounts with Balances Owning**

Follow the same three options as described above for Open Accounts.

**Derogatory Accounts** - defined as Account Status Codes 88 (Government Claim), 89 (Deed in Lieu), 93 (Collection), 94 (Foreclosure Completed), 95 (Voluntary Surrender), 96 (Repossession), and 97 (Charge-off).

Continue reporting these statuses and add Special Comment **AW** (Affected by natural or declared disaster).

**Debt Buyers and Collection Agencies**

Continue reporting Account Status Code 93 (Collection) and add Special Comment **AW** (Affected by natural or declared disaster). If accounts are sold to another company or given back to the original creditor, report Account Status Code **DA** to delete the accounts. (Copyright 2011 ©Consumer Data Industry Association)

**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.