



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

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## AUTHENTICATION SERVICES

Do you need to verify the identity of your customers?

Experian's **Authentication Services** offers 8 points of verification. **A.S. Level One** provides:

- *Verification of Name, Address, Social Security Number, Date of Birth, Driver's License number and Telephone Number.*
- *Alerts to High-risk Addresses and Phone Numbers.*
- *Cross-references to OFAC database of Specially Designated Nationals (SDN) and blocked persons.*
- *A Standardized address with ZIP +4 coding.*
- *Correct name and address information.*
- *Type of Address*

The search also returns data from : *The Credit Bureau Header Data and Business Data. USPO Address data - standardization, residential, deliverable address, and change of address.*

Experian then gives you a Verification Score of 1 to 999. The lower the score indicates the higher likelihood of fraud.

**Authentication Services** is available as a stand alone product or it can be added to each credit report. This is a great product to help you comply with the Red Flag regulations. Since **Authentication Services Level One** often provides the names of people at the address, it can also be used to skip trace for lost customers.

You get all this for \$1.00.

Call us to day for more information.

## SOCIAL SECURITY SEARCH

If your Authentication Services Search indicates a Refer or a Decline, you may wish to run a Social Security Search. All three bureaus and MetroNet offer a Social Security Search.

The Social Security Search from Experian offers a variety of results, including, a list of people using the social security number, up to ten addresses associated with the SS #, Sub-code of the subscriber who last reported the best address, the spouse's name, date of birth.

The Social Security Search can also be used when you have a dormant account that will be reported and turned over the the State. Very often you can run a SS Search and locate a lost deposit consumer. Thereby, not turning over the account to the abandon accounts offices of your state.

### The search is on

By accessing Experian's nearly 200 million individual consumer files, Social Search is an invaluable tool for:

- Collections
- Skip tracing
- Fraud detection
- New account processing
- Account verification

## EXPERIAN BREACH EXPOSES BROAD PROBLEMS AT CREDIT BUREAUS

Do credit bureaus need to be held to higher levels of accountability for the massive amounts of consumer data they hold? Security expert and former *Washington Post* reporter Brian Krebs says that the answer is yes, and backs up this assertion with fresh new details of fraud related to the previously reported theft of personal data from the credit bureau Experian. Krebs reported on his blog Monday about two separate incidents connected to the Experian theft that could have implications for the way credit bureaus manage and store the personal data of millions of Americans. In the first incident, an Ohio man named Lance Ealy was arrested for purchasing the Social Security numbers and other personal information from an online identity theft service that was run for about 10 months by Hieu Minh Ngo in Vietnam. Ngo had acquired the data through an Experian subsidiary called Court Ventures. He pleaded guilty earlier this year to running the ID theft service. Krebs wrote that Ealy allegedly used the stolen information to electronically file at least 150 fraudulent tax returns for which refunds were sent to prepaid card accounts he controlled. Ealy was arrested by the U.S. Secret Service on November 25, 2013. He was one of 1,300 customers of Ngo's service. (4-22-14, [CreditandCollectionNews.com](http://CreditandCollectionNews.com))

## AMENDMENT TO FAIR CREDIT REPORTING ACT TO IMPACT DEBT COLLECTION

New legislation from Sens. Sherrod Brown (D-Ohio), and Brian Schatz, (D-Hawaii), seeks to amend the Fair Credit Reporting Act (FCRA) to protect consumers from inaccurate credit reports and credit scores. The "Stop Errors in Credit Use and Reporting Act" would make it easier for consumers to correct, dispute, and access their credit reports and builds on a proposal from Sen. Bernie Sanders (I-Vt.), to provide consumers with free credit scores, according to a statement from Brown and Schatz. Under the FCRA, credit reporting agencies are required to, "follow reasonable procedures to assure maximum possible accuracy" of information contained in credit reports, but reports still contain far too many preventable errors, according to a summary of the legislation. "In today's economy, it is critical that consumers have access to a safe and reliable way of checking their credit reports and scores," Brown said. "This legislation ensures consumers have the resources they need to correct credit report errors that could potentially impact future employment opportunities, credit applications, and other transactions that require a good credit score. Consumers would also have access to a free annual credit score and report." (4-24-14, [CreditandCollectionNews.com](http://CreditandCollectionNews.com))

## CONGRESSMAN RIPS CONSUMER FINANCE PROTECTION BUREAU

The federal government has long been in the consumer protection business. It is a noble cause and one I support. Many may not know the Consumer Financial Protection Bureau was assembled from the various existing offices across the government with the intention of making consumer protection more transparent. What we got instead is an agency that is out of control, covering up a racist and sexist work environment and bilking taxpayers for lavish expenses. Over the last several months I have heard testimony from employees at the CFPB describing sexual advances from superiors, talk of African-American employees working on "the plantation" for their white supervisors and women suffering from post-traumatic stress disorder because male supervisors were so hostile. We received testimony that CFPB Director Richard Cordray personally intervened to cover up these allegations. Unfortunately for him, this is all now public record and the facts are not in dispute. Additionally, the director himself has misled Congress about the inner workings of the agency. He makes no apologies for

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spending \$149 million taxpayer dollars on a renovation he claimed would *only* cost \$55 million. He also feels it is unnecessary to inform you that this agency is monitoring personal financial information on nearly one billion credit cards. (9-21-14, [CreditandCollectionNews.com](http://CreditandCollectionNews.com))

### **FTC AT FULL STRENGTH AS SENATE APPROVES MCSWEENEY**

The U.S. Senate on Wednesday overwhelmingly approved the nomination of Justice Department official Terrell McSweeney to be the third Democratic commissioner on the five-member Federal Trade Commission. McSweeney, nominated in June, is a former domestic policy adviser to Vice President Joe Biden and is now chief counsel for competition policy at the Justice Department's antitrust division. The vote was 95-1 for McSweeney with David Vitter, a Republican from Louisiana, voting against her nomination. McSweeney's confirmation will give Democrats a majority on the FTC, which works with the U.S. Department of Justice to enforce antitrust law and investigates allegations of deceptive advertising, among other responsibilities. The commission is chaired by Edith Ramirez, a Democrat and a law school classmate of President Barack Obama. The third Democrat is Julie Brill. Rounding out the group are Republicans Maureen Ohlhausen and Joshua Wright. "We are delighted that the Senate has confirmed Terrell McSweeney to serve as an FTC Commissioner. Terrell is a dedicated public servant, and we look forward to working with her on the many important issues facing the Commission," Ramirez said in a statement. (4-10-20, [www.creditandcollections.com](http://www.creditandcollections.com))

### **LATEST FICO SURVEY PREDICTS GREATEST INCREASE IN DELINQUENCY RATES FOR AUTO LOANS AND CREDIT CARDS IN YEARS**

The most recent quarterly survey, published January 14, 2014 conducted for FICO, Fair Isaac Corporation, a leader in predictive analytics and decision making software, indicates North American bankers recently surveyed predict the highest delinquency

rates for auto loans and credit card accounts since the fourth quarter in 2012. In the survey, found on FICO's consumer site 34 percent of respondents said they expected delinquencies on auto loans to rise over the next six months, while 28 percent predict an increase in credit card delinquencies as well. The survey, conducted for FICO by the Professional Risk Managers' International Association (PRMIA), raises questions about the impact of delinquent credit behavior on the lending market in general. "While the delinquency predictions in our survey aren't alarming, lenders will be keeping a close eye on these trends," said Dr. Andrew Jennings, chief analytics officer at FICO and head of FICO Labs. "Banks are walking a fine line – trying to grow their lending portfolios without taking excessive risks. But given that credit card delinquencies are near their lowest level since the Fed began tracking them in the 1990s, a small uptick is to be expected and shouldn't spook lenders. A slight increase in delinquencies is normal when availability of credit expands and borrowing increases." (4-18-14, [CreditandCollectionNews.com](http://CreditandCollectionNews.com))

### **WHY US RETAILERS ARE STILL VULNERABLE TO CARD FRAUD**

After last year's massive security breaches at Target and Neiman Marcus, data security pros urged U.S. retailers to upgrade their credit and debit card technology to reduce fraud. Companies have been slow to embrace the more secure payment systems that have been widely used in Europe and Asia for years, mostly because of the expense and a lack of synchronization among retailers, credit card providers, and banks. Many companies are behind schedule in updating their systems to comply with a chip-based smart card standard known as EMV (for Europay-MasterCard-Visa, the companies that first backed the technology). Credit card networks have set an October 2015 deadline for most U.S. merchants to upgrade their payment systems. EMV is considered more secure because it's harder to copy account numbers and security codes from chips than from the magnetic strips on most cards used in the U.S. EMV cards create a unique code for each transaction, making them more

difficult to hack or counterfeit than striped cards. (4-15-14, [CreditandCollectionNews.com](http://CreditandCollectionNews.com))

### **BANK CARD ORIGINATIONS LEAD NEW CREDIT GROWTH IN 2014**

According to the latest Equifax National Consumer Credit Trends Report, the total limit of new credit for bank-issued credit cards leads origination growth in January 2014, followed by home equity revolving lines and auto lending. Changes in the total balance of new credit originated January 2013-2014 include: Bank-issued credit cards: 28.5% increase (\$15.2 billion to \$19.5 billion); Home equity revolving: 18.4% increase (\$6.2 billion to \$7.3 billion); and Auto: 19.8% increase (\$28.6 billion to \$34.3 billion). "Spring is here and consumers' desire for credit appears to be rising alongside the mercury," said Amy Crews Cutts, Chief Economist at Equifax. "Despite the relatively low numbers of new and used vehicles sold in January, auto originations were up nearly 20 percent from the same time last year. This suggests that consumers are responding positively to the generous terms and greater credit availability in the auto space. Credit card and Home Equity Revolving Lines of Credit originations were also up sharply over the previous year, further signaling that not only are consumers interested in credit, but that banks are more willing to offer it." (4-29-14, [CreditandCollectionnews.com](http://CreditandCollectionnews.com))

### **CREDIT INFORMATION SYSTEMS HOURS**

Monday - Friday 8:00am to 5:00pm

Credit Information Systems 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, 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.

Credit Information Systems has served businesses since 1915 and provides credit reports from all three national repositories.

Our previous news letters, dating back to January 2000, can be accessed at: [kcbinfo.com/kcbnewsletters.htm](http://kcbinfo.com/kcbnewsletters.htm)

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