

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

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FANNIE MAE & FREDDIE MAC

Our mortgage credit reports can be imported to Fannie and Freddie. Or you can go to DU or LP and pull reports through us. Our Mortgage reports can also be imported into ARTA for no additional costs.

CREDIT SCORES

We have received several calls from consumers and members regarding substantial differences in scores received by consumers and the scores received by the lenders. The consumers were upset because the scores they received were 100 or more points higher than the ones from the lenders.

The credit bureaus sell credit scores that are totally different than the ones the banks, CUs, land lords or other businesses use. When consumers request their FREE credit reports, the credit bureaus or the companies they are using, will try to sell them their own credit score model, which is not FICO (Fair Isaacs.)

Generally, TU., Experian and Equifax will try to sell something called VantageScore. VantageScore starts at 501 and goes to 990. VantageScore also has over 140 reasons for reducing the score. FICO scores start at 300 and go to 850 and it has less than 40 reasons for reducing the scores.

If a customer claims to have received a score that is much different, ask them for the name of the score model they received. You might want to try to explain to your customer that there are over 20 different versions of credit scores from several different companies and that the one you use goes from 300 to 850. Also, that each version can be only compared with the same version.

BUSINESS CREDIT REPORTS

We offer several types of Business Credit reports including:

The **Business Profile** provides Trade Payment Trends, Public Records, including bankruptcies, tax liens and UCC filings. The Business Profile also provides company background information to help identify potential fraud. It also provides: Description of the business, Days Beyond Terms (DBT), Predicted DBT, DBT norms, DBT range based on current payment behavior, Historical payment guide, Significant Derogatory Data, Payment Totals, and Standard & Poor's information.

The **Business Summary** is designed for use on low balance accounts. It provides a

credit snapshot by showing a summary of trade information and indicating the presence or absence of collection data, derogatory public record filings. The categories are *Acceptable, Caution, Warning, Serious Risk and Bankruptcy*.

The **Commercial IntelliScope** uses sophisticated statistical techniques and consistent criteria to significantly reduce subjectivity in the decision process.

The report provides:

- Company Information
- IntelliScope
- IntelliScope action
- Score Factors
- Derogatory filings
- Trade Experiences.

The **Business Owner Profile** provides a combined Business report and a consumer report. The FCRA applies to these reports. You must have a separately signed individual authorization to pull this report.

UCC Searches

More information is on our web pages under **Credit Products**.

ILLEGAL LOG INS

We can not emphasize this enough: DO NOT EVER USE ANOTHER PERSON'S LOG-IN TO PULL A CREDIT REPORT!!

ALSO, NEVER LET SOME ONE ELSE USE YOUR I.D. TO PULL REPORTS!

The FCRA is very explicit. The identity of the user must be reported to the credit bureau. Experian, TransUnion & Equifax conducts audits as to the users and correct purpose codes. **If you are not complying with the FCRA, you could be fined, your company could be fined and your company could be prohibited from pulling credit reports!**

YOU ARE LIABLE FOR ANY REPORTS PULLED UNDER YOUR NAME!

HOW TO GET THE BEST INFORMATION FROM A CREDIT REPORT

There are a few things to remember and consider before pulling a credit report.

- Each credit bureau, files and sorts their data differently.
- Most collections and 99% of all public records are reported with only a name and address.

- Towns with new zip codes and new 911 addresses are often not reported correctly on credit files.

Experian files the data in this order:

1. Last Name
2. First Name
3. SSN
4. Address
5. Generation (Jr., Sr., I, II III, etc.)
6. DOB

TransUnion files them this way:

1. Zip Code
2. Address
3. Last Name
4. First Name
5. SSN
6. AKA

Equifax is altogether different:

1. Last Name
2. First Initial
3. Address
4. SSN

- **ALWAYS** use *one previous address*, unless the person has lived at the same address for more than five years. If you are pulling a consumer report from Experian's web page, you can enter a current address and two previous addresses for the primary spouse. Then you can enter two addresses (current and previous) for the spouse.

- **ALWAYS** enter the consumer's *date of birth*.

- **ALWAYS** enter the *middle initial*.

- **ALWAYS** use the *full name*, no nicknames or abbreviated or shortened names.

There are over 300 million people in the US. When requesting a report, not using the DOB, SS #, the middle initial, or the generation (Jr., Sr, I, II, or III, when used by the consumer), is just asking for a NO FILE or an incomplete file or report on the wrong consumer.

ARCHIVED REPORTS: If you are pulling from from "Experian Subscriber Services" web page you should be able to look at the reports you have pulled for the last six months. Just click on the tab ARCHIVES and enter the dates you wish to review. If this is not available, call us and we can turn it on. Archived reports are also available for reports pulled from KCB Express Credit Reports.

BANKS AT LEADING EDGE WITH TWITTER USAGE

William Mills study of Twitter use among financial institutions shows the industry has definitely thrown its hat into the social networking ring.

Public relations firm the **William Mills Agency** has conducted a study of how banks and other



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financial institutions are using the social networking tool Twitter. What Mills found was that FIs are fairly ahead of the curve in using social networking tools like Twitter.

According to Mills, there is little data available at this point on how FIs use Twitter. The agency hopes its findings in "The Bank and Credit Union Twittersphere: How Financial Institutions Use Twitter" can at least be used to help establish a baseline of this activity.

The study examined 1,176 "tweets" (Twitter posts), created by 63 financials during the period of March 1 to 30, 2009. The 63 financial institution Twitter accounts analyzed included 29 credit unions, 24 community banks, seven national banks and three regional banks. It revealed that the Twitter usage varies greatly among organizations. National banks posted an average of 53 tweets per month, followed by credit unions with 22.5 and community banks with 8.4. The regional banks analyzed did not make any tweets during the sampling frame. From its research, Mills was able to separate banks' tweet styles into six categories, or personas: problem solvers, community activists, informers, communicators, social butterflies and sideliners/placeholders.

The most active Twitter accounts were: Bank of America's David Knapp (@BofA_help) with 199 posts Group Health Credit Union's Shannon Perry (@ghcu) with 171 posts Wachovia Bank (@Wachovia) with 124 posts 1st Mariner Bank (@1stMarinerBank) with 106 posts CU Community Credit Union's Jenny Reynolds (@mycucommunity) with 60 posts Pioneer Credit Union's Michelle Kozak (@pioneeru) with 54 posts These accounts produced 60.1 percent of the tweets analyzed. The top 20 percent of accounts surveyed produced 80.2 percent of the tweets analyzed, a pattern that follows the 80/20 Rule. The most common type of tweet, according to the study, was a reply to another Twitter user (44.1 percent), followed by links to websites (24.7 percent), internal news (8.1 percent), chatter (6.5 percent) and re-tweets (6.3 percent).

The types of information shared on Twitter by financial institutions include new products or promotions by the organization, links or comments on financial industry news, personal finance tips, links to their blogs or favorable media coverage, personal statements (e.g., remarks about the weather, how busy the day has been), comments on community events, recaps of the financial institution's philanthropic events or community outreach programs and replies to their followers.

"What we found in researching new media tools like Twitter is that there is precious little data out there relative to the financial services industry," said Scott Mills, president of William Mills Agency, said in a statement. "I believe we are still on the front edge of the curve in terms of adoption and use of Twitter and it is evident based on our study that some financial institutions are doing a much better job of embracing it and utilizing its capabilities. In conducting the study, it is our hope to contribute to our industry's knowledgebase of social media and its practical applications to financial institutions and those companies that serve them." (5-12-09, www.banktech.com, By Maria Bruno-Britz)

CONSUMER CREDIT DOWN IN MARCH

U.S. revolving credit, 98% of which is credit card debt, decreased in March, to \$945.9 billion from \$951.3 billion the previous month, according to a Federal Reserve G.19 report on consumer credit released yesterday.

Total seasonally adjusted consumer credit outstanding, which includes revolving and nonrevolving credit, decreased at an annual rate of 5.2% in March to \$2.55 trillion, the report says.

Moreover, loan officers are predicting a bleak future for credit quality, according to the results of a senior loan officer opinion survey on bank lending practices released this week by the Federal Reserve. A significant majority of banks reported that credit quality for all types of loans is likely to deteriorate over the year if the economy progresses according to consensus forecasts.

More than 90% of respondents expect credit card loan quality to deteriorate at least somewhat and 9.7% expect loan quality to stabilize at current levels, according to the survey results. The Fed based the findings on survey responses from 53 domestic banks and 23 U.S. branches and agencies of foreign banks. (5-12-2009 CreditandCollectionsWorld.com and SourceMedia, Inc.)

ADVANTA CORP. SUSPENDS CREDIT CARDS

In a last-ditch bid to survive the nation's economic downturn, Advanta Corp. is closing its small-business customers' credit cards to new charges after June 10, the Montgomery County company said yesterday. The unprecedented move, which will affect nearly one million accounts with the Spring House firm, was designed to preserve the capital Advanta needs to absorb losses on loans to small-business owners, who often borrow

heavily and typically bear the brunt of economic downturns, the company said. One credit-card industry expert said the action would leave Dennis J. Alter, Advanta's chairman and chief executive officer and a prominent philanthropist, with slim chances of breathing life back into the company his father founded in 1951 to lend money to teachers. Now the firm has a small-business focus. "They are obviously in dire straits," said David Robertson, publisher of the Nilson Report, an industry newsletter. Robertson called Advanta's plan, including the proposal to pay some of its own lenders pennies on the dollar, a "Hail Mary." (5-12-09, www.creditandcollectionnews.com)

SPEAKERS

If you would like us to conduct a training class for your employees, we have two you may want. We have one on credit scores and one on pulling and reading reports. Both sessions explain why each bureau is different from the other two and how to get the best information. We are working on a collection seminar for August or September.

We also have presentations for service clubs, churches, employers, high schools and colleges. The presentations range from 15 minutes to one hour. the topics we can cover are: ID Theft, Credit Scoring and Credit Reports.

If you would like us to speak to your employees, service club, church or school, please call us.

KCB INFO SERVICES HOURS

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

KCB Information Services offers: Consumer credit reports, Collections Reports, Business Credit 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 and Identity Authentication.

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

When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that, my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it."