

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

11 N. 6th Street, Suite A \* Pekin, IL 61554 \* Ph: 888/852-2574 \* Ph: 309/353-5527 \* Fax: 309/353-5541 \* Peoria: 309/696-1890 \*

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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.

### DISPUTING CONSUMER CREDIT REPORTS

If you have pulled an Experian or Equifax credit report through us or using our numbers assigned to you, we can dispute the incorrect information for the consumer.

The consumer needs to sign an **Authorization Form**. This form is on our web page. Just go to **CREDIT PRODUCTS** and click on "**Member Documents**." The **Loan Verification** forms are at the bottom of the page.

If you have pulled the MCL merged or mortgage report, on the right side of the screen, you will see "**VIEW REPORT**." The section below that will say: "**ADD-ON PRODUCTS**." And below that is: "**Request Supplement**." Just click on "**Request Supplement**."

All you need to do is click on the boxes next to the trade lines you wish us to verify. There is also a space for you to report any other instructions or requests.

Under "**Utilities**" on the main menu, you will find the **Authorization Form**. The form needs to be signed by all the applicants, and faxed to us before we can dispute or verify the trade lines and employment. If we are just updating your merged report we do not need any other information.

### DOCUMENTS NEEDED TO DISPUTE INFORMATION ON AN EXPERIAN, TU OR EQUIFAX CREDIT REPORT:

*We need a letter from the consumer explaining what is wrong, a copy of their driver's license and a copy of their SS card. Experian, TU and Equifax will not verify or change anything without positive proof that it is really the correct consumer disputing the information.*

Copies of Paid Receipts, Lien Releases, Judgment Releases and letters from creditors verifying the status, are needed and can speed up the dispute process.

If the consumer has obtained their credit report from another source, we can assist them in correcting their report. Since it is not

with our number, we do not have direct access to the consumer's file and there may be a fee to the consumer.

A consumer can not come in to our office and ask us to verify and change a report for our members. Only an authorized employee of our members can request verifications and updates to their reports.

### LOANSPQ

LoansPQ a web-based consumer loan management solution specifically designed for banks and credit unions to effectively cross-sell consumer loan products to their customers and members. It instantly generates pre-qualified loan decisions for **mortgage, auto, credit cards, commercial loans**, and many other loan products. With the click of a button, **LoansPQ** integrates loan origination, core processing and internal banking software in almost any configuration.

#### How your consumers will benefit.

##### Features:

- Applications can be saved and retrieved by applicants.
- Applicants are automatically cross-qualified for other loans.
- Integrated WebMS Messaging System allows instant messages to loan officers.
- Loan Center allows applicants to check on their loan status.
- Secure multi-layered architecture using the latest technology.

#### How your Institution will benefit.

##### Features

- Flexible and scalable loan management system.
- Redundant infrastructure with no single point of failure.
- Collects applicant information, analyzes credit and loan data, then delivers an automated decision to the applicant within 20 seconds!
- Centralized management of IT.
- Customizable pre-qualification engine.
- Instant cross-selling capabilities.
- Streamline lending operations by providing a vital link between front-end marketing (new loan acquisition) and the back-end processing. Seamlessly exports loan information into loan origination system software.
- Comprehensive administration and management reporting system.
- A 24/7 "virtual lending center."
- User-friendly system.
- Private-labeled system.
- Employees can securely access the system from anywhere, anytime.

- Captures signatures using an electronic signature pad with LoansPQ's Digital Signature feature.
- Letters, applications, and related forms can be integrated into LoansPQ.
- Open-end XML system.

### ONLINE ACCOUNT OPENING - AUTOMATED ACCOUNT OPENING - ONLINE SWITCH KIT FEATURES

Xpress Accounts™ offers a broad range of features that makes it easy, fast, and convenient for potential applicants to open accounts through your website.

- Allow potential applicants to open accounts 24 x 7.
- Verify and authenticate applicant identity in real-time.
- Improve Patriot Act compliance and fraud protection.
- Automated account origination.
- Reduce application review and approval time.
- Easily integrate with core systems.
- Reduce application processing cost.
- Real time decisioning and instant cross-selling.
- Paperless workflow environment.
- Integrated Online Switch Kit.
- Integrated account funding.

### BANKRUPTCY FILINGS RISE TO 6,000 A DAY AS JOB LOSSES TAKE TOLL

Consumer and commercial bankruptcy filings are on pace to reach a stunning 1.5 million this year, according to a report from Automated Access to Court Electronic Records. While well below the record 2 million filings in 2005, the number of filings is up sharply from last year's 1.1 million, says Robert Lawless, professor of law at the University of Illinois. Bankruptcy filings took a dramatic nose dive after a 2005 bankruptcy reform measure was signed into law to curb bankruptcy abuse and make it harder to erase debts. But filings are surging back in part because of rising job losses. The unemployment rate could hit 10% this year. And tighter credit, dwindling 401(k) accounts, smaller paychecks and less savings have left unemployed workers and those who are working but struggling with fewer financial resources to keep creditors at bay. (www.creditandcollectionnews.com, 6-4-09)

### UNDERSTANDING FICO SCORES

These are the three major credit bureaus (aka



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credit reporting agencies): Equifax (EQ), Experian (EX), and TransUnion (TU). You'll need to find out all three of your FICO scores to properly grasp your overall credit picture.

What is the range of FICO scores?

FICO (aka Classic or BEACON) scores can range from 300 to 850, but the majority of scores usually fall within the 600s and 700s.

FICO, FAKO, HUH?

FICO, FAKO, Credit Score, PlusScore, ScoreX, Vantage are all the same right? WRONG!

FICO = The score lenders use and the only score you care about.

FAKO = Any score that isn't a FICO. Most people like to buy the ScoreWatch product because you can quite often get updates as to your current EQ FICO score. myFICO Identity Theft Security Deluxe is similar to Score Watch except that it monitors TU. There is no FICO monitoring service for all three credit reporting agencies.

ScoreWatch: <http://www.myfico.com/Products/ScoreWatch/Description.aspx>

myFICO Identity Theft Security Deluxe: <http://www.myfico.com/Products/IDF/Description.aspx>

[www.myfico.com](http://www.myfico.com) sells FICO scores for EQ and TU.

[www.truecredit.com](http://www.truecredit.com) or [www.transunion.com](http://www.transunion.com) sells FAKO scores only.

Yet [www.transunioncs.com](http://www.transunioncs.com) sells FICO (TU score only). I have no idea why [transunion.com](http://transunion.com) doesn't sell FICO but [transunioncs.com](http://transunioncs.com) does.

[www.providian.com](http://www.providian.com) or [www.wamu.com](http://www.wamu.com) offers a PFICO TU score to their credit card customers (PFICO is a real FICO score). These are called bankcard enhanced scores.

There are generally two reasons why you might not be able to get a score from MyFICO. Your score does not contain enough positive data to calculate a score, or there is a fraud alert on your file.

Classic or BEACON FICO scores are generally the best indicator of credit-worthiness and a good overall indicator of where your credit (mortgage, credit card, auto, etc.) stands.

Credit card enhanced (or bankcard enhanced scores) are specific indicators of credit worthiness with regards to credit cards only (not mortgages, auto, loans, etc.).

Auto-enhanced scores are specific indicators of credit worthiness with regards to an auto loan. Consumers cannot purchase auto-enhanced scores.

See: <http://ficoforums.myfico.com/fico/board/message?board.id=ficoscoring&message.id=1610>

Your actual FICO score ranges from 300-850, remember you have three separate FICO scores for each credit reporting agency EQ, EX, and TU.

Scores higher than 720-750+ are ideal. Any higher really doesn't matter. Once you get this high, you have excellent scores regardless.

Also, just because you have your score today doesn't mean you can walk into the car dealership tomorrow and say "I have an 800+ FICO please give me the APR I want on my loan", the lender may calculate a completely different FICO score and if you were to pull your FICO score again that day it may be different for you.

Remember, a FICO score is a quick look at the overall status of your credit. It may mean getting a better APR on the credit card you want, but it likely won't determine whether you get the card or not (your credit report(s) will!). (6-4-09, [www.myfico.com](http://www.myfico.com))

## U.S. CREDIT CARD DEFAULTS RISE TO RECORD IN MAY

NEW YORK (Reuters) - U.S. credit card defaults rose to record highs in May, with a steep deterioration of Bank of America Corp's lending portfolio, in another sign that consumers remain under severe stress.

Delinquency rates -- an indicator of future credit losses -- fell across the industry, but analysts said the decline was due to a seasonal trend, as consumers used tax refunds to pay back debts, and they expect delinquencies to go up again in coming months.

Bank of America Corp -- the largest U.S. bank -- said its default rate, those loans the company does not expect to be paid back, soared to 12.50 percent in May from 10.47 percent in April. In addition, American Express Co, which accounts for nearly a quarter of credit and charge card sales volume in the United States, said its default rate rose to 10.4 percent from 9.90, according to a regulatory filing based on the performance of credit card loans that were securitized.

Credit card losses usually follow the trend of unemployment, which rose in May to a 26-year high of 9.4 percent and is expected to peak near 10 percent by the end of 2009. If

credit card losses across the industry surpass 10 percent this year, as analysts and bank executives expect, loan losses could top \$70 billion.

"Until lenders show stabilization then trend-bucking improvement over a several month period, we remain bearish on credit card lenders -- and the U.S. consumer," said John Williams, an analyst at Macquarie Research.

"We continue to believe that macro challenges and credit quality concerns will pressure U.S. card issuers over the next 12 months," he added. "We expect further challenges as unemployment ticks up."

However, some smaller credit card companies such as Capital One Financial Corp and Discover Financial Services reported defaults rates grew less than expected.

Capital One said its credit card default rate rose to 9.41 percent from 8.56 percent, while Discover said its charge-off rate increased to 8.91 percent from 8.26 percent.

JPMorgan Chase & Co -- the second-largest U.S. bank and the biggest issuer of Visa-branded credit cards -- said its default rate rose to 8.36 percent in May from 8.07 percent in April, but it still holds the best performance among the largest credit card companies.

Credit card lenders are trying to protect themselves by tightening credit limits, raising standards and closing accounts. They have also been slashing rewards, increasing interest rates and boosting fees to cushion against further losses. (June 15, 2009, by Juan Lagorio, editing by Matthew Lewis, Yahoo Finance)

## 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.

*We can't solve problems by using the same kind of thinking we used when we created them..*

*Intellectuals solve problems; geniuses prevent them.*

*Any intelligent fool can make things bigger and more complex. It takes a touch of genius - and a lot of courage to move in the opposite direction..*

*-Albert Einstein*