



The ONE SOURCE for all your credit reporting needs

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85th BIRTHDAY

We will be celebrating our 85th birthday on July 11th from 4:00 to 6:00pm. Please feel free to stop by our office and help us celebrate our birthday.

CREDIT REPORT/SCORES CLASS

We will have two seminars on July 10th at the Holiday Inn Express in Peru and one in Pekin at our office, on July 11th.

The classes will review our **ONE PLATFORM** system for all your credit reports. Then we will review how Credit Scores and Credit Reports are created, and Risk Based Notices, Red Flag and ID verifications and fraud searches. We will also explain how our **ONE PLATFORM** system makes training and pull credit reports, simple with ONE web page format for all your credit reports.

The classes in Peru will be from 9:30 to 11:00 and from 1:00 to 3:00. The class in Pekin on July 11th from 2:00pm until 4:00pm. For each member sending employees, we will give you 5 free, individual, single bureau credit reports.

Please go to our web page for more information on the classes. Please let us know how many are planning to attend.

SPEAKERS

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.

Tracy Powell, Larry Nelson and Karen Zimmerman are all Certified FICO Pros. We will explain the seven areas that effect credit scores and show you how your customers can increase their scores so you can make better and more loans, or rent to better tenants.

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

BANK & CREDIT UNION ERRORS

In the last two months we have seen a record number of consumers who have been turned down because of credit report errors by lenders. **Most of them are because creditors are incorrectly pulling credit reports!** But, more and more, banks and credit unions are reporting incorrect information to TU, Experian and Equifax!

Are you hurting your customer's credit reports? We have developed several questions to ask your compliance officer(s) and loan officers:

- *"When you pull a credit report, do you tell the credit bureau the correct purpose or reason for the inquiry?"*

Fair Isaac (FICO) says that 10% of the score is based on inquiries. **If you are not telling the credit bureau why you are pulling the report, FICO cannot score the credit file correctly.** Purpose codes for Refresh Reports, Account Review, Employment, Autos, and Mortgages are all treated differently from inquiries for other types of credit.

- *"When you respond to a dispute, either by mail with the credit bureaus or through e-Oscar, do you change your database to reflect what you just told and corrected with the credit bureaus and e-Oscar?"*

One of the major problems we have when consumers contact us, are creditors who report one thing to the credit bureaus via e-Oscar and then don't change their internal records. They then **report the old and incorrect data** the next time they send their monthly data to the bureaus.

- *"Do you report loan accounts and charged off checking accounts to the national credit bureaus?"*

FICO says that 75% of the credit score is based on payment history, what is owed and the types of credit used. If you do not report your good accounts, 40 to 60 points are not being added to your customers' scores. Conversely, you are giving your bad customers a better score by not reporting.

- *"Do you report the Line of Credit or Credit Limit to the credit bureaus, or do you report the Highest Balance?"*

FICO compares the 'Current Balance' to the 'Line or Credit Limit'. If you report the Highest Balance, instead of the Credit Line or Credit Limit, FICO uses the Highest Balance as the Line of Credit. **Incorrectly reporting the Credit Line can lower a consumer's score 20 to 50 points.**

- *"Do you use Credit Scores to accept or reject applications or to condition accounts?"*
Or, do you, based on a credit report, give one customer better terms than to another?"

If you use a credit score, or if you condition the terms based on a credit report (even if you don't get a score), you must provide the consumers with the Risked Based Pricing Notice if they didn't get your best terms. Some banks are providing the Risked Based Pricing Notice to all applicants. If you reject a loan application, an Adverse Action Notice, with the score information, can be used instead of the Risked Based Pricing Notice.

- *"If you make 1st mortgage loans, 2nd mortgage loans or HELOC loans, do you provide the applicant with the the Score Notice?"*

The FCRA requires a score notice to be given on all 1 to 4 unit residential properties, when a

mortgage is used as security, if a credit score is included with the credit report.

When you are checking out a new employee:
• *"Do you pull an Employment Credit Report (not a consumer credit report?)"*
And *"Are you providing the applicant with a copy of the 'Summary of Rights?'"*

The FCRA has three requirements for Employment Reports. **1st**, the applicant must sign an authorization separate from the Employment Application **2nd**, you provide the applicant with the Summary of Rights, and **3rd**, you must give a copy of the report to the applicant.

- *"Have your employees attended a class or seminar explaining credit scores?"*

Have your employees attended a class or seminar taught by a Certified FICO Pro? Or, are your employees taught by an employee who was taught by an employee who was taught by an employee? Do you want your loan officers, who don't understand credit scores, making decisions on your loans, based on credit scores? Also, how are they to explain the reports, scores and decisions to your customers? (We have three classes scheduled in July!)

- **Last:** *"Do you get your reports locally or do you get them from a credit bureau, out of state?"*

We have been providing credit reports to banks, credit unions, finance companies, municipalities, employers, land lords and other businesses since 1928. KCB Information Services is the only local full service credit bureau in Central Illinois. We offer programs and classes on credit reports, credit scores and ID Theft, for service clubs, employers and financial institutions.

MacIntosh COMPUTERS AND SERVICEPLUS AND MCL MORTGAGE

For those using Mac computers, you can now pull ServicePlus and MCL Mortgage reports with your Mac. You must use Chrome as your browser.

TOP 5 STATES FOR ID THEFT

Florida

Topping the list of the states to visit if you want your identity stolen is Florida, where 69,795 cases of ID theft were reported last year. That's 361.3 persons out of every 100,000 residents. (Other flavors of fraud complaints were nearly twice as frequent.) What's more, residents were nearly twice as likely to have their identity stolen in Florida as in the next most targeted state, which was ...

Georgia

With only 19,232 instances of reported identity theft in 2012, Georgia looks like a



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comparatively safe place to live, next to the criminal playground that is the Sunshine State. But Georgia also has only half as many people as its neighbor to the south, so that's still 193.9 victims per 100,000 people, easily earning it the No. 2. spot.

California

Since it's the most populous state in the nation, you might expect California to lead this list as the place where you're most likely to get victimized by ID theft. But in fact, Californians reported "only" 46,658 instances of ID theft in 2012. That's twice as many cases as were reported in Georgia, but still far fewer than we saw in Florida. And as a percentage of the population, California was a much safer place to live than its Southeastern brethren. Only 122.7 instances of ID theft were recorded per 100,000 population, a rate almost identical to what we saw in...

Michigan

With only 12,075 reported ID thefts, not many residents of the Great Lake State got soaked by that variety of scammer last year (although other forms of fraud were four times more frequent). By population, Michiganians were roughly one-half of one person (per 100,000) less likely to get scammed than their warm-weather cousins in Cali.

New York

Home to NYC, the model for crime-ridden Gotham City, New York state may not have the most savory of reputations -- and yet, it ranks as only the fifth-worst in the nation for identify theft. The state with the nation's most populous city reported only 21,538 cases of ID theft last year, or just a hair above 110 cases per 100,000 residents. (6-21-13, dailyfinance.com)

LIVE CREDIT SMART: THE GREAT CREDIT DIVIDE

The age-old battle of the sexes certainly holds its own stereotypes: men are action-oriented, women crave deep discussion; he tends to score higher on math tests, while she excels at language-based tasks. But when it comes to money and credit management should men still be the de-facto household CFO as in the past? Perhaps not, according to new research from Experian, which suggests that old stereotypes that applaud men as good money managers may no longer hold their weight.

Experian's Great Credit Divide Gender Trends Study revealed female superiority in money management, with women leading men in credit health and debt management despite lower average salaries.

How do we stack up against one another? Read on to find out.

	Men	Women
Ave. Credit Score	674	675
Ave. Debt	\$26,227	\$25,905
Credit Utilization:	31%	30%
Late Mort. Payments:	5.7%	5.3%
Mort. Loan Amounts:	\$187,245	\$178,140

LOOKING FOR A NEW EMPLOYEE!!

We are looking for a salesman. The person should have previous experience in finance and credit reports. They would call on prospective members such as: banks, credit unions, land lords, municipalities and employers.

CREDIT UNIONS IN AUTO LOAN FAST LANE AS BANKS STALL

When it comes to the amount of auto loans they've recently originated, some banks have apparently stalled out.

According to data from tracking firm SNL Financial, the top 100 lenders increased their total auto loans by just 0.64% over the fourth quarter of 2012. Among these, the top 16 lenders didn't budge from their spots compared to a quarter earlier.

Ally Financial Inc., the nation's top auto lending leader, witnessed a 6.73% drop in its auto loan portfolio in the first quarter with loans decreasing to \$60.41 billion from \$64.77 billion at year-end 2012, SNL Financial said this week.

General Electric Capital Corp. came in second place with negative growth at 6.12%. Other banks such as U.S Bancorp., Fifth Third Bancorp., SunTrust Banks, BMW Bank of North America and State Farm Bank BSB also experienced negative growth from the fourth quarter of 2012 to March 31, according to SNL Financial.

Meanwhile, credit unions are still in the midst of record auto loan growth. The latest data from CUNA Mutual Group's *Credit Union Trends Report* showed a 7.5% annual gain stemming from positive contributions from both new and used vehicle portfolios.

At \$183.5 billion vehicle loans represented 29.5% of all loans in April and accounted for almost 42% of all credit union loan growth since April 2012, CUNA Mutual said.

SNL Financial ranked the \$50 billion Navy Federal Credit Union 14th on its top 25 list of auto lenders. The Vienna, Va.-based credit union posted \$7.27 billion in auto loans at the end of the first quarter, up 5.15% from the end of 2012.

Higher member optimism about their personal finances and the economy helped Navy Federal book \$753 million in consumer loan originations in May alone -- the best month in the cooperative's 80-year history, according to the credit union.

Other credit unions that made SNL Financial's top 25 auto lenders list were the \$7.2 billion Security Service FCU in San Antonio (ranked 18th) \$16 billion Pentagon FCU in Alexandria, Va., (ranked 21st) and the \$5.3 billion Alaska USA FCU in Anchorage (ranked 25th). (BY MICHELLE A. SAMAAD, 6-20-13, Credit Union Times)

DITCHING CREDIT CARDS

The number of young Americans who are living without credit cards has doubled since the recession, according to new research.

About 16% of consumers ages 18 to 29 didn't have a single credit card by the end of 2012 -- up from 8% in 2007, according to data that credit score provider FICO collected from the credit files of millions of consumers.

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As a result, credit card debt has declined by about a third among this age group -- from an average \$3,073 to \$2,087 per person.

After watching older generations -- like their parents -- get hit hard by the recession, many younger Americans are shying away from credit and opting for debit cards instead, according to FICO.

Prepaid cards have also become attractive alternatives, said John Ulzheimer, president of consumer education at SmartCredit.com.

"[T]here has been very aggressive marketing of prepaid debit cards over the past few years targeting young people and minorities," he said. "So it's not a surprise that more young people are using prepaid debit cards over credit cards." (By Blake Ellis, 7-1413(CNNMoney))

NEW MEMBERS

We welcomed several new members so far this year: GG Development, Erie State Bank, Heights Bank, Peoria Bell CU, Pete Fish & Skiles Bank, His Helping Hands, RentQC and AJS Rental Properties.

PLEASE REVIEW OUR WEB PAGES

We have updated our web page listing our member's web pages and our "Residential Mortgage Information" web page. For the listing of our members' web pages, click on "ID Theft and Credit Information. The "Residential Mortgage" page tells consumer how to apply for a mortgage loan and lists our members who pull their mortgage reports from us.

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.