



The ONE SOURCE for all your credit reporting needs

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I hope this helps explain the dispute process.

### TOP 10 CUSTOMER DATA-LOSS INCIDENTS

Company/Organization	# of affected customers	Date of disclosure
CardSystems	40 million	June 17
Citigroup	3.9 million	June 6
DSW Shoe Warehouse	1.4 million	March 8
Bank of America	1.2 million	Feb. 25
Time Warner	600,000	May 2
LexisNexis	310,000	March 9
Ameritrade	200,000	April 19
Polo Ralph Lauren	180,000	April 14
ChoicePoint	145,000	Feb. 15
Boston College	120,000	March 17

(Source: InformationWeek, public disclosures by companies)

### FANNIE MAE PROBLEMS

If you are pulling a single bureau through our mortgage system, MCL, and you want to pull two additional bureaus and send it to Fannie Mae: **YOU CAN NOT CHANGE ANYTHING.**

**YOU MUST CLICK THE "ADD BUREAUS" BUTTON under the "ADD-ON PRODUCTS" section.**

**If the file is more than 30 days old, it will not let you add a bureau.**

**If you change ANYTHING, you will get an error 41 when you try to import the file to Desktop Underwriter.**

### DISPUTES

The Fair Credit Reporting Act authorizes us to dispute trade lines on consumers' credit reports. There are several requirements for us to do this for the consumer or the creditor:

**First:** The credit report must be pulled by one of our customers. (If the report was pulled by a creditor that is not our customer or that did not use the subscriber number we assigned them, then we can not dispute any trade lines on that report.)

**Second:** We must have a copy of the consumer's Drivers License.

**Third:** We must have a copy of the consumer's Social Security Card.

**Fourth:** We must have a letter defining the items and the nature of the dispute.

**Fifth:** The letter must have the current and previous address of the consumer. (Several of our disputes have been delayed because the credit bureaus did not have the current address of the consumer.)

The consumer will receive a response and a copy of their corrected credit report from the credit bureaus within 30 days. We will only receive a notice of the action taken by the credit bureaus.

### EXPERIAN BILLS

A few of our members are still receiving past due bills from Experian. If you receive a bill from Experian, please don't pay it. Either fax or mail it to us.

Experian has also sent letters to some of our members soliciting new services. **DO NOT** sign up for any services from Experian unless you do it through us. Experian charges minimum monthly fees for their services and products. **We do not charge monthly fees of any type.**

### BANKRUPTCY REFORM MAY HAVE LITTLE EFFECT ON BANKRUPTCY RATES

Claims that many consumers will no longer have the safety net of bankruptcy once bankruptcy reform goes into effect may be unfounded. A study by a provider of bankruptcy preparation software for attorneys indicates that at least 85% of debtors who file for bankruptcy under Chapter 7 would still be eligible for Chapter 7 when the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 goes into effect on October 17.

The new law provides that debtors whose income is above the state median for their household size must submit to a means test. The means test will be used to determine whether they are able to repay some debt after certain allowable living expenses are deducted from their income. Specifically:

-- If the debtor can pay \$6,000-\$10,000 over five years, and that amount would result in a minimum of 25% repayment of his unsecured debt, he fails the means test.

-- If he can pay at least \$10,000 over 5 years, then regardless of the percentage that unsecured creditors would receive in the repayment plan, he fails.

Those who fail the means test will be able to file under Chapter 13 and submit a repayment plan to the court, but will not be eligible for Chapter 7, which discharges most unsecured, non priority debt.

Widespread speculation in the press has focused on the likelihood that far fewer debtors will have recourse to bankruptcy.

Best Case Solutions, Inc., based in Evanston, IL, analyzed data from over 11,000 actual bankruptcies filed in 45 states between June 15 and July 6, 2005. The study compared each debtor's monthly income as reported in Schedule I of the petition with the state median for his household size, using inflation-adjusted 2003 Census Bureau statistics as the new law requires.

The study found that 85.6% of the Chapter 7 filers in the sample had incomes below the state median and would

likely still be able to file Chapter 7 under the bankruptcy reform law. The remaining 14% would have to submit to a means test in order to file Chapter 7. The information that will be required for the means test is not currently collected in bankruptcy filings, so it was impossible to ascertain how many of that group of debtors would go on to pass the means test.

The data also show that 73% of current Chapter 13 debtors' incomes were below the state median. In general, debtors choose Chapter 13 over 7 if they have equity in real estate, since in most states laws exempt only a small amount of the debtor's equity in a home.

"The data back up what bankruptcy attorneys tell us about their clients: these are not wealthy people trying to scam the system. They're people who are overextended, sometimes due to job loss, car accidents, divorce, or medical problems, and they often have high interest rates on car loans and credit cards that make it hard for them to ever get back in the black," says Lucinda Fox, company spokesperson at Best Case Solutions. "Since most debtors have incomes below the median, bankruptcy will continue to be an option for the vast majority of them. When the dust settles, I don't think you're going to see the bankruptcy rates go down dramatically."

The data for the study was collected at the time of filing by Best Case Solutions' electronic filing system. Approximately 40% of bankruptcies in the United States are filed using Best Case Bankruptcy form preparation software.

Best Case Solutions serves over 12,000 law firms in all 50 states, and helps attorneys file more than 40,000 cases per month electronically. The privately owned company was founded in 1993. (www.creditcollectionsworld.com, 7-15-2005)

### SPEAKERS

If you need a speaker for your civic organization or school, give us a call. our current topics are: free and not so free credit reports and how and when to get them.

### KCB INFORMATION SERVICES HOURS

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

Consumer credit reports are from Experian.  
Business reports are provided from Experian.  
Employment reports are provided from Experian.  
Residential mortgage credit reports and merged credit reports may contain information from: the Kewanee Credit Bureau, Experian, Transunion and/or Equifax.  
Criminal background checks are from the Illinois State Police, Credit Commander or Creditretriever.  
Tenant screening reports are from Credit Retriever.  
The KCB Information Services has served businesses since 1928 and serves central Illinois for Experian.

*"We hang the petty thieves and appoint the great ones to public office." -- Aesop*