

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.

## ILLINOIS STATE POLICE FINGER PRINT CRIMINAL BACK GROUND CHECKS

As of Sept. 1st, we will be able to provide "Live Scan" finger print checks from both the Illinois State Police and the FBI. The "Live Scan Searches" can return results in as little as one hour, but usually they take two to three days. We will be doing them in our office, but we are looking for an office one day a week in Peoria and one day a week in the Bloomington/Normal area. We will also be able to come to employer's offices.

If you would like to have your new employee applicants or your current employees finger print checked through the Illinois State Police or the FBI, please call us. We will explain the requirements and it will take a few days to set up the account.

## HELP WANTED

We are looking for a salesman. In addition to Finger print back ground checks, we have added many new mortgage products including, *Freddie Mac, I.D. Risk Review, Legal & Vesting, Full Property Reports, Appraisals, Income Tax Verifications, Equiguard for 2nd Mortgage Loans and Authentication Services, and ID Verifications* as both add-ons or stand alone options. We have also added an *Application Decisioning* feature for landlords that approves, declines or conditions rental applications. We need someone who can present these and other products and services to potential members.

If you know of anyone with a finance back ground, have them call us.

## HAVE YOU LOOKED AT OUR WEB PAGE RECENTLY

Our web page is not filled with advertisements. It has information to help you, your employees and consumers to better understand credit reports and credit bureaus.

We have a page to help people buy or refinance a home.

Another page helps you find lost customers or friends. Or look up sex offenders all all fifty

states.

Yet, another helps with ID theft and Credit Fraud.

We have links to many of our members and information to help you understand credit scores.

There is also an index of our newsletter articles and pdf files of our newsletters back to January 2000.

We have also included links to Experian's, TU's and Equifax's web pages. We also included a link to "MIB". That is the Medical Information Bureau. Yes, there is a credit bureau of your medical information and you can get a copy of it.

## PERMISSIBLE PURPOSE & CREDIT SCORES

The FCRA states that any credit report ordered through a reseller (such as KCB) must include the permissible purpose, type code or reason for the credit report. If a creditor is a member of any of the three national bureaus directly, then they do not need to state the purpose of the request.

The problem(s) arise with credit scores. Inquiries count for 10% of Fair Isaacs credit score. If no purpose or type code is entered with the request, and the permissible purpose is for an auto or mortgage loan, each incomplete inquiry could lower the score from 1.5 to 5 points. Multiple inquiries for auto or mortgage loans in the last 30 days count as one inquiry only if the correct Purpose or Type Codes, when FICO calculates the score.

"Permissible Purpose" is the reason you are allowed to pull a credit report. Violating the "Permissible Purpose" section of the FCRA is most often the reason people and their employers get sued.

The main areas of concern of Section 604 are:

§ 604 Permissible purposes of consumer reports [15 U.S.C. § 1681b]

(a) *In general.* Subject to subsection (c), any consumer reporting agency may furnish a consumer report under the following circumstances and not other:

(2) In accordance with the written instruction of the consumer to whom it relates.

(3) To a person which it has reason to believe:

(A) ..in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; or

(B) intends to use the information for employment purposes or intends to use the information in

connection with ... eligibility [for]... a license...

(F) otherwise has a legitimate business need for the information.

To be safe, get a signed authorization from the consumer, to pull a credit report. The authorization should include the reason, ie: rental, auto loan, line of credit. The authorization should not be vague, ie; "I understand that where appropriate, credit bureau reports may be obtained," is insufficient to grant permission.

Also, do not pull a report on a spouse, unless both have applied. If you take applications on line or over the phone, be sure to have a well defined written procedure and do not reveal the contents until the consumer(s) have signed the application.

You must keep all applications for 25 months. You do not need to keep a copy of the credit report, only the application. If you pull your reports from Experian's Access Control, or from Equifax's E-Port, the credit reports are saved on line for six months. If you pull reports from KCB Express or from our MCL Merged and Mortgage program the reports are stored for several years.

## DON'T GET LOCKED OUT!!

If you have not logged in to pull your consumer, employment, business, criminal, flood, merged or mortgage reports recently, please do so today. If you have not logged in, in the last 90 days you will probably be locked out. If you do not log in, in 180 days, your user name will be dropped.

Don't wait until you "need a report yesterday" to find out you are locked out and can't pull a report.

## SEMINARS IN AUGUST

The first one will be: *Credit Reports & Credit Scores & CreditXpert*

It will be at 9:30am, Aug. 13th

It will cover:

- Pulling credit reports correctly.
- How the credit bureau file and retrieve data.
- How to read credit reports.
- How to read and understand credit scores.
- How to use CreditXpert to help your customers understand and improve their credit score.

The second one is:

*"How to collect past due accounts"*

It will be at 2:00pm, Aug. 13th.

We will cover:

- How to locate skips (lost customers).
- How to determine if they have the ability to pay.



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- How to convince them to pay.
- And what to do if you can't.

Please call or e-mail us if you wish to attend.

## **CONSUMER CREDIT SCORES STABILIZING, REPORT SAYS**

Consumers' credit scores stabilized in June following three consecutive months of increases, according to a report released yesterday by Credit Karma Inc., a San Francisco-based company whose Web site tracks credit scores.

Nationally, 38% of consumer credit scores increased in June compared with 39% that did in May and 41% that did in April, according to data from approximately 44,000 Credit Karma user scores. Some 34% of consumers' credit scores remained the same in June compared with 32% that did in May. Also, 28% of consumers' credit scores decreased in June compared with 29% that did in May.

Consumers in Michigan had the highest percentage of credit scores increasing in June at 41%. Some 27% Michigan consumers' credit scores decreased, and 32% stayed the same. Texas had the highest percentage of credit scores that decreased in June at 29%. Some 39% of Texas consumers' credit scores increased, and 32% stayed the same, according to the report.

The average consumer had \$6,938 in credit card debt in June, a 1.9% decrease from \$7,072 in May, according to the report. Last month, consumers had an average of \$206,427 in home mortgage loans compared with \$205,365 during the previous month.

On average, consumers had \$14,539 in auto loans, which was virtually unchanged from the \$14,564 average in May. In June, the average consumer had \$27,201 in student loans, a 1% increase from \$26,930 in the previous month, the report states. (7-21-09, © 2009 CreditandCollectionsWorld.com and SourceMedia, Inc.)

## **CREDIT CARD ISSUERS WILL SOON HAVE TO SPELL OUT MORE DETAILS ON BILLS**

How many consumers really understand their credit card statement and the disclosure notices that come with their bill? The better question may be: How many even read them? If you don't read your statement closely or if you throw away the envelope stuffers, you may not know that your interest rate or fees have gone up, or that your credit limit has been lowered. Fortunately, federal regulators

are eliminating consumers' excuses for not studying their credit card bills by requiring card issuers to make the statements easier to understand. For example, by February, card issuers must tell you plainly how long it would take to pay off your bill if you just made minimum payments. For some cardholders, it will be a stark reality in print. (7-27-09, [www.creditandcollectionnews.com](http://www.creditandcollectionnews.com))

## **FICO SUIT AGAINST EXPERIAN, TRANSUNION TO PROCEED**

A lawsuit by Fair Isaac Corp., which provides "FICO" credit scores used by millions of Americans, can proceed against two major credit-reporting agencies but on a narrower set of claims, according to a court filing. Fair Isaac is also in settlement talks with the agencies, Experian Plc and TransUnion LLC, Fair Isaac Chief Executive Mark Greene told Reuters in an interview. U.S. District Judge Ann Montgomery denied requests by Experian, TransUnion and VantageScore Solutions to dismiss Fair Isaac's claims related to trademark but threw out some other allegations, including those around antitrust and false advertising, according to a court filing on Friday. "What we really want to make sure is that consumers understand how their scores are being treated and what scores they are getting when they visit various websites," Greene said, adding he was happy with the outcome. (7-27-09, [www.creditandcollectionnews.com](http://www.creditandcollectionnews.com))

## **VANTAGESCORE SEES GROWTH AFTER COURT RULING**

VantageScore Solutions, LLC, manager of a consumer credit score that competes with the omnipresent FICO measure, on Tuesday said a court ruling that dismissed antitrust allegations would clear a path for growth. U.S. District Judge Ann Montgomery last week rejected claims by FICO provider Fair Isaac Corp. that big credit reporting companies engaged in unfair and anticompetitive practices in developing VantageScore. Fair Isaac can proceed on a narrower set of claims, however, including trademark infringement. Credit scores are the basis for bank decisions on most forms of consumer credit, including home mortgages, auto loans and credit cards. The FICO score dominates the landscape, but VantageScore said it has made headway this year. VantageScore celebrated the ruling, noting that the charges filed in 2006 may have hindered its growth. (July 29, 2009, [www.creditandcollectionnews.com](http://www.creditandcollectionnews.com))

## **AMERICAN EXPRESS SEES WRITE-OFFS LESS THAN FORECAST**

American Express Co., the best performer this year in the Dow Jones Industrial Average, said write-offs on credit cards for the second half of 2009 may be better than its previous forecast. Costs tied to uncollectable debt fell in June to 9.9 percent of managed U.S. card loans from 10 percent in May, the New York-based company said today in a federal filing. Loans at least 30 days overdue -- an indicator of future charge-offs -- declined to 4.4 percent from 4.7 percent in May. "Assuming delinquency and bankruptcy trends continue to be below previously expected levels, the company believes that it is highly likely" that write-offs for the third and fourth quarters on U.S. cards "will be better than previously forecasted," the filing said. The report added to signs that record defaults by consumers on credit cards may be near a peak. JPMorgan Chase & Co. and Discover Financial Services also reported fewer soured loans today. Charge-offs at U.S. credit-card lenders have nearly tripled since January 2007 as the U.S. unemployment rate climbed to 9.5 percent in June, the most since 1983. (7-16-09, [www.creditandcollectionnews.com](http://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.