

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 Oct. 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.

## FTC TO ENFORCE "RED FLAGS IDENTITY THEFT RULE" OCTOBER 1, 2009

Any company in the U.S. offering credit to customers will face new regulations, aimed at preventing identity theft. However, jewelry businesses only accepting credit cards are not considered creditors and therefore have no compliance obligation. The new regulations, in effect since January 2008, relate to all entities considered creditors by the U.S.

Federal Trade Commission, starting October 1, 2009. This means that any company that offers credit to customers - either through house financing, branded credit card programs, layaway facilities or any other credit arrangement - must comply with the rules already in place. The rule requires businesses to create a written program designed to detect or "red flag" attempts at stealing identity information and place such a program in place to prevent identity theft and its related crimes. The program must be integrated into the daily operations of the business, but can be tailored to the specific risks a particular business' credit program possesses. (Aug. 17, 2009, [www.creditandcollectionnews.com](http://www.creditandcollectionnews.com))

## CONSUMER CREDIT OUTSTANDING CONTINUED NOSEDIVE IN JUNE

Consumers are spending less and banks are being tighter with credit. The forces conspired to drive consumer credit down further in the second quarter, a trend that has been in place since last year.

American consumers and banks teamed up to drive down total consumer credit outstanding in June and the second quarter, according to numbers released by the Federal Reserve late Friday. It was the third straight quarter of significant declines in consumer credit, especially among credit card debt.

The Fed said that consumer credit outstanding contracted at a 4.9 percent annual rate in June, or by \$10.3 billion. It was the fifth straight monthly decline. The government report, which tracks all consumer debt not backed by real estate and commonly called the G.19, showed declines roughly double of what analysts were expecting.

Revolving credit, principally credit card accounts, led the declines, dropping at an annual rate of 6.8 percent. Non-revolving debt - like that found in auto, student and personal loans - contracted at an annual rate of 3.8 percent in June.

For the second quarter, revolving credit decreased at an annual rate of 8.2 percent. Over the past three quarters, revolving credit has declined 7.86 percent. Overall consumer credit has declined 4 percent.

Both consumers and banks have contributed to the declines. As unemployment has rapidly expanded since the end of the third quarter of 2008, Americans have cut back on their spending and increased their savings rate. At the same time, banks have slashed available credit to consumers and small businesses.

Credit scores have also been readjusted to put more emphasis on outstanding credit balances, giving consumers further incentive to pay off debt.

Analysts do expect a significant uptick in consumer credit for July, as the impact of the government's "Cash for Clunkers" program is felt in non-revolving credit.

At the end of June, total consumer credit outstanding was \$2,502 billion, down from its peak of \$2,579 billion at the end of the third quarter of 2008. Credit card debt outstanding accounted for \$917 billion, down from its all-time high of \$973.5 billion at the end of September 2008. (by [www.insideARM.com](http://www.insideARM.com) staff, August 10, 2009)

## CREDIT SEMINAR IN SEPTEMBER

At 2:00pm on Sept. 23th the topic will be: **Credit Reports & Credit Scores & CreditXpert**

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.

Call or e-mail us to reserve a seat.

## SOME CREDITORS CAN TIP OFF NEIGHBORS

It's one thing to love thy neighbor, but quite another to share financial information with the folks next door -- at least that's how Mary Anne Miller feels. So it came as a surprise last month when Miller learned that retailer Lane Bryant, to which she says she owes \$400, had tracked down her neighbors in rural Sweet Home and called them to ask about her. As it turns out, the practice is legal in some cases -- Miller's included -- falling between the cracks of state and federal debt-collection laws. And, as more and more consumers become buried in debt, it's another example of how collectors, and increasingly credit issuers, are getting more resourceful -- some say downright vengeful -- when it comes to settling past-due accounts. Federal law regulates only third-party bill collectors, firms that exclusively track down debt for others. Calls to someone other than the debtor, such as a neighbor, are allowed as long as collectors only verify the debtor's address, phone number or place of employment. (8-24-09, [www.creditandcollectionnews.com](http://www.creditandcollectionnews.com))



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## **LONG ARM OF THE LAW IDS HEARTLAND HACKERS**

**An American and two Russians are charged with one of the largest cyber crimes ever.**

The hackers at the heart of the Heartland Payment Systems data breach are finally getting their just desserts.

According to The Wall Street Journal, American Albert Gonzalez and two Russian accomplices were indicted in federal district court in New Jersey on charges that they carried out the largest hacking and identity-theft caper in U.S. history.

Federal prosecutors think the trio was behind a global scheme that saw the theft of over 130 million credit and debit cards by hacking into the computer systems of five major companies, including Hannaford supermarkets, 7-Eleven and Heartland Payment Systems.

Seth Kosto, an assistant U.S. attorney in New Jersey who specializes in computer fraud, told the Journal that Gonzalez is "a very important player in a sophisticated ring that has real results at the street level of bank, retail, debit- and credit-card fraud."

Gonzalez is no stranger to the world of the cyber underground, as he was previously convicted of such crimes and turned informant to the Secret Service, says the Journal. (banktech.com, By Maria Bruno-Britz, 8-18-09)

## **US MORTGAGE LATE PAYMENTS HIT RECORD HIGH IN Q2**

Late payments on U.S. mortgages increased to a record high in the second quarter, with almost one in eight homeowners delinquent or in the process of foreclosure. The percentage of loans on which foreclosure actions were started edged down from the first quarter, driven by a sharp drop in actions on subprime adjustable-rate mortgages, the Mortgage Bankers Association said on Thursday. But other types of loans, particularly prime, fixed-rate loans, saw a surge in new foreclosure actions as rising unemployment affected more borrowers, the trade group said. The percentage of loans on which foreclosure actions was started dipped to 1.36 percent in the second quarter from an all-time high of 1.37 percent in the first quarter. The rate was up 28 basis points from 1.08 percent in the second quarter of 2008, the MBA said in its National Delinquency Survey. (8-21-09,

[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.

## **BANKS CUT CREDIT FOR 58M CARD HOLDERS IN ONE YEAR**

Credit card companies slashed limits for an estimated 58 million card holders in the 12 months ended in April, even though a high percentage had good credit scores when their limits were cut. The widespread cuts hurt about a third of consumers, but most people did not see a big impact on the credit scores, according to a study by FICO, the company that produces the most widely known credit scores. The limited effect may be because lenders often cut limits on cards that were unused or lightly used. The statistics in some ways verify complaints from consumers that they were targeted despite doing nothing wrong, but also show that the cuts seem to have little negative effect for the majority of people. (8-21-09,

[www.creditandcollectionnews.com](http://www.creditandcollectionnews.com))

## **AVERAGE CREDIT CARD DELINQUENCY RATES DECREASE IN ALL 50 STATES AND D.C. FROM PREVIOUS QUARTER**

TransUnion.com released today the results of its analysis of trends in the credit card lending industry for the second quarter of 2009. The report is part of an ongoing series of quarterly consumer lending sector analyses focusing on credit card, auto loan and mortgage data available on TransUnion's Web site. Information for this analysis is culled quarterly from approximately 27 million anonymous, randomly sampled, individual credit files, representing approximately 10

percent of credit-active U.S. consumers and providing a real-life perspective on how they are managing their credit health. As TransUnion predicted last quarter, the national credit card delinquency rate (the ratio of bankcard borrowers 90 days or more delinquent on one or more of their credit cards) fell to 1.17 percent in the second quarter of 2009, down 11.36 percent over the previous quarter. (8-25-09, [www.creditandcollectionnews.com](http://www.creditandcollectionnews.com))

## **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.

## **CREDIT BUREAU AUDIT**

Due to changes in the Fair Credit Reporting Act, TU Experian and Equifax have required us to use updated forms. If you have been sent forms and have not returned them, unfortunately, your service will be turned off.

## **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.