



**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 \* e-mail: KCBInfo@KCBInfo.com**

**Aug 31, 2012**

**Vol. 20, #8**

## MISSION STATEMENT OF KCB INFORMATION SERVICES

*"To provide our members with quality products, services and timely credit related information, thereby enhancing the opportunity for advancement, education and profits for our members, our employees and our company."*

No other credit reporting agency offers you as many credit products, to make your job easier, more efficient, and in compliance with all the new laws and regulations currently being forced on all of us.

For example, **First**, All of our credit reporting products allow you to input the correct purpose codes. *If you are not entering the correct PURPOSE (TYPE) CODE when requesting a credit report, you are in violation of the FCRA.* And you are also damaging your customers credit scores by not properly entering the correct Purpose Code.

**Second**, Our Adverse Action letter allows you to input the credit scores as required by law when you turn some one down.

**Third**, Experian's e-Solutions, our Merged & Mortgage system and our ServicePlus Credit Reports provide you with Risk Based Notices and Credit Score Notices for both consumer and mortgage loans.

**Fourth**, we provide Credit Report and Credit Score Training. We can provide it in your office or in our office. Not only can we provide you training on how to properly access credit reports, we can explain the hows and whys of the reports and credit scores. We can show you how to help your customers increase their scores and improve their credit reports.

**Fifth**, you only need to work with one company. Since we can provide you with Consumer and Mortgage Credit Reports, Employment Credit Reports (*consumer reports CAN NOT be used for employment purposes*), Business Credit Reports, Flood Life of Loan, Income Tax Verifications, R/E Tax Verifications, Criminal searches, ID Verifications, Fraud Searches, and Skip Tracing searches you only have one business to call for questions or problems. You only have one check to write each month.

## SECURITY REQUIREMENTS

When you need us to add someone to pull reports for you, please e-mail us their name, preferred user name, e-mail address, which office (if you have more than one), and what services for which they need access.

If someone leaves or changes positions, please notify us, so we can lock or delete their access.

If you change your company's name or if you move your office, we need that information in you file. If you are not a member of the FDIC or the NCUA, or if you are not a 501c corp or a municipality, TU, Equifax and Experian will require a new site inspection. If you are a landlord operating out of your home, the bureaus also require an annual site inspection.

We are the only full service credit bureau in Illinois and we are here to serve you. Please don't hesitate to call us for all of your credit requirements!!

## RED FLAG INFORMATION

**Remember: All users of credit reports; Land Lords, Employers, Loan processors, the Officers ordering credit reports and the Underwriters reviewing credit reports are responsible for complying with the Red Flag rules.**

We have information regarding the **RED FLAG** requirements on our web page. Just click on Credit Products and then on **RED FLAG RULES**.

**Fraud Shield with ID Risk Review** is now available on our ServicePlus Credit Reports, and Merged and Mortgage Reports. **Authentication Solutions (Level One)** and **Soc. Sec. Searches** are also available on our Mortgage Credit Reports system. Just click on ORDER and choose IDV (Identification Verifications.)

**Fraud Shield, Social Security Number Searches and Authentication Solutions** are also available for Experian credit reports. All three products provide information on possible fraudulent activity.

TU's **IDSearch Plus. TotalID** and **Trace** are also available on the ServicePlus and Merged & Mortgage credit reports.

**Fraud Shield.** Fraud shield looks for fraudulent or questionable data on consumers. Fraud Shield is an add on product for Experian Credit Reports, Experian **Social Security Security Searches** is also on our ServicePlus and MCL Merged and Mortgage system.

**Authentication Services, Level One.** Authentication Services, Level One, attempts to verify the applicants ID by searching eight data bases. It then gives you the results of the searches and a probability score. It is available directly from Experian or through our ServicePlus and Merged and Mortgage system.

Call or e-mail us if you want any of these services.

## BUSINESS BANKRUPTCIES CONTINUE TO FALL

The number of U.S. businesses having to file for bankruptcy continued to fall in the 12 months that ended June 30, reports the U.S. Bankruptcy Courts. The filings - 44,435 - declined 14.8%, comparable to the 14.3% drop in the 12-month period ended June 30, 2011, the courts said. Business bankruptcies had soared 62.7% in 2007-2008, then tapered off to an 8.3% hike in 2008-09. It is an indication that the economy continues to improve slowly. The number of business bankruptcies is still higher than in 2007-08 when the recession started. Personal bankruptcies, in which the debts are primarily personal or consumer, also declined 14.2% in the past 12 months to 1.27 million, the bankruptcy court reported. However, combined business and personal bankruptcies increased from the first quarter to the second quarter to 325,693. That number was still 14% lower than the second quarter of 2011. Historically, second-quarter bankruptcies have been higher than the first quarter. (8-8-12, CreditandCollectionnews.com)

## ZOMBIE DEBT COLLECTIONS: HOLLYWOOD VIDEO IS DEAD, BUT BILLS STILL HAUNT CONSUMERS

Talk about Red Tape: Consumers across the country say they are being harassed into paying bills they don't owe to a company that no longer exists. And it's not the first time. Like a monster in a bad horror flick, every time this Hollywood Video debt collection controversy seems to be killed, it keeps coming back to life. When Hollywood Video and its parent, Movie Gallery, went out of business in 2010 and declared bankruptcy, they had only one real asset: unpaid fees. About 3 million U.S. residents owed money to the firm - a lot of money - nearly a quarter of a billion dollars, according to the Rhode Island attorney general's office. But attempts to collect that money on behalf of Hollywood Video's creditors have become a series of bad horror flicks to former customers, who claim they are being repeatedly harassed by debt collectors waving bills the consumers don't owe. And now, an NBC News investigation of 500 complaints filed against one of those firms in the past 90 days - Universal Fidelity - shows that consumers accuse the company of everything from bullying to threatening to ruin their credit, despite promises to all 50 state attorneys general that it would never do so. (8-8-12, CreditandCollectionnews.com)



**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 \* e-mail: KCBInfo@KCBInfo.com**

## **LOAN DELINQUENCIES AND AUTOMOTIVE REPOSSESSIONS DROP IN Q2**

Experian Automotive today announced that consumers continued to make timely automotive loan payments in Q2 2012, lowering the average delinquency rate across all lending organizations, including banks, captive finance arms, finance companies and credit unions. The analysis showed that the 30-day delinquency rate was 2.52 percent, compared to 2.59 percent in Q2 2011, and the 60-day delinquency rate was 0.58 percent in Q2 2012, down from 0.60 percent in Q2 2011. Vehicle repossessions also dropped, coming in at 0.43 percent in Q2 2012, compared to 0.59 percent in Q2 2011, which is a 27.9 percent drop year over year. "Consumers continue to do an excellent job of paying back their vehicle loans in a timely fashion, and that's good news for everyone in the industry," said Melinda Zabritski, director of automotive lending for Experian Automotive.

## **COMPANY SETTLES FAIR CREDIT REPORTING ACT CHARGES FOR \$2.6M**

An employment background screening firm that provides consumer reports to companies nationwide will pay \$2.6 million to settle Federal Trade Commission charges that it violated the Fair Credit Reporting Act (FCRA).

HireRight Solutions Inc. was charged with failing to use "reasonable procedures to assure the maximum possible accuracy of information provided," failing to give consumers copies of their reports and failing to reinvestigate consumer disputes as required by law.

It marks the second-largest civil penalty obtained by the FTC under the FCRA. Only the \$10 million civil penalty against consumer data broker ChoicePoint Inc. in 2006 was larger. It also is the first time the FTC has charged an employment background screening firm with violating the FCRA.

HireRight Solutions, in its role as a consumer reporting agency, provides background reports with information about prospective and current employees to help thousands of employers make decisions about hiring and other employment-related issues.

Under the FCRA, the company's reports qualify as "consumer reports." They contain public record information, including the individuals' criminal history.

The FTC alleges that in many cases, when it provided consumer reports to employers, HireRight Solutions did not take reasonable steps to ensure the information was current and

reflected updates, such as the expungement of criminal records. Because of this, the FTC charged, employers sometimes received information that incorrectly listed criminal convictions on individuals' records.

In addition, in many cases, the reports included the records of the wrong person. The FTC alleged that the various inaccuracies led to consumers being denied employment or other employment-related benefits.

Consumer reporting agencies under the FCRA must allow consumers to access their own information and dispute any inaccuracies.

To do so, the consumer reporting agency must "clearly and adequately" disclose information in their file to a consumer who requests it.

Next, within 30 days of being notified that a consumer wants to dispute the information in his or her report, the consumer reporting agency must conduct a reasonable investigation to determine whether the information is inaccurate, record the status of the information or delete it from the file. The consumer reporting agency must notify consumers in writing of the results of this reinvestigation of their file within five days of when it's completed... (8-8-12, creditandcollectionrisk.com)

## **SMALL BUSINESS BANKRUPTCIES SHRINK FOR FOURTH STRAIGHT QUARTER**

Small business bankruptcies continued their decline in the second quarter of 2012 shrinking by nearly 17% from the previous quarter, according to Equifax's Small Business Bankruptcy Report. This is the fourth straight quarterly decline in the number of total U.S. small business bankruptcies since Q2 2011 and the lowest for the second quarter since 2007. The number of business bankruptcies peaked in the second quarter of 2009. "The shrinking number of small business bankruptcies is not surprising," said Amy Crews Cutts, Equifax Senior Vice President and Chief Economist. "Small business owners are still steadfastly deleveraging, bringing their debts, assets and cash flows into better alignment; couple that with promising signals in small business lending, and business owners are better positioned to stay afloat." (8-22-12, CreditandCollectionnews.com)

## **CONSUMER CREDIT DEFAULT INDEX AT LOWEST MARK IN THREE YEARS**

Consumers are doing a better job paying off their debts, according to an index of defaults on mortgages, credit cards and auto loans.

Four of the five types of loans tracked by the S&P Dow Jones Indices and credit reporting company Experian dropped in July for the seventh straight month, falling to their lowest level since the end of the Great Recession in 2009, according to a report Tuesday. Only second mortgages saw a slight increase from June.

Credit card defaults showed the biggest improvement in July, dropping to their lowest level since August 2007.

But the pace of improvement in default rates slowed in July compared with earlier in the year, and was not spread evenly throughout the U.S. The composite default index was 1.51 in July, down from 1.52 in June, but well below the 2.06 reading from a year earlier.

"Looking at the rate of new defaults in mortgages or auto loans, the consumers' credit position has recovered from the financial crisis," said David M. Blitzer, chair of the Index Committee for S&P Dow Jones Indices. "However, other data show that previously defaulted mortgages remain an issue and many consumers still face an overhang from old debts."

Of the five major markets, New York and Miami saw their consumer credit default index level drop to post-recession lows. Chicago's rate was flat. But default rates rose in Los Angeles and Dallas. (Collections & Credit Risk, By Darren Waggoner, 8-22-12)

## **SPEAKERS**

We 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.

## **KCB INFO SERVICES HOURS**

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

KCB Information Services offers: Consumer Credit Reports, ServicePlus 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, 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.