



The ONE SOURCE for all your credit reporting needs

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REDFLAG INFORMATION

October 31, 2007, the federal financial institution regulatory agencies and the Federal Trade Commission published final rules on identity theft "red flags" and address discrepancies. The final rules implement sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003. The final rule has been published in the Federal Register. The final rules are effective on January 1, 2008. Covered financial institutions and creditors must comply with the rules by November 1, 2008.

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

One of our products, Authentication Solutions is ONLY \$.55 for our Dues Paying Members or \$1.00 for Non-Dues Paying Members .

USER IDS REQUIRED

FCRA Sec. 607(2)(A) states that we must establish procedures that "(i) identifies each end user", "(ii) certifies each propose for which the report will used"

**We can not emphasis this enough:
DO NOT EVER USE ANOTHER
PERSON'S LOG-IN TO PULL A CREDIT
REPORT!!**

**ALSO, NEVER LET SOME ONE ELSE
USE YOUR I.D. TO PULL REPORTS!**

The FCRA is very explicit. The identity of the user must be reported to the credit bureau. The Experian, TransUnion & Equifax conducts audits as to the users and correct purpose codes. **If you are not complying with the FCRA, you could be fined, your company could be fined and your company could be prohibited from pulling credit reports!**

CORRECTING CREDIT REPORTS

There are up to 4 ways to get a credit report corrected. The method of correcting a credit report depends on how it was obtained. Credit Reports can be pulled by a credit grantor directly from the credit bureau, from a reseller, like KCB Information Services, or the consumer can obtain the report from the credit bureaus or a reseller.

If you pulled the credit report from us via our Mortgage program, MCL Merged and Mortgage reports, you can send us a supplement directly from the program. We will then proceed to verify and correct the information on your report. If we verify that the information on the report is incorrect, we can, if requested file a dispute with the offending credit bureaus. **DOCUMENTS FOR MORTGAGE CREDIT REPORT DISPUTES AND VERIFICATIONS FAXED TO US WILL BE HELD UNTIL WE RECEIVE THE SUPPLEMENT ORDERED THROUGH THE MORTGAGE PROGRAM!**

The consumer can call or come into our office and dispute information on any report pulled through our MCL Mortgage and Merged program. Consumers can also dispute information on consumer credit reports pulled by our members who have used the credit bureau numbers provided by us.

Consumers who have disputed reports directly with us will be notified of the results by us or by the credit bureaus. Our members will not be notified of any corrections made by the consumers' disputes.

If a consumer has received their credit report from some one other than one of our members, for a fee, we can assist the consumer in disputing their reports.

We can also review a consumers credit report and in most cases explain what needs to be changed to improve their credit score. We charge the consumer \$35.00 to analyze their credit report for ways to improve their score. We do not give financial advise on how to implement changes we recommend. In other words, we can tell them what needs to be done, not how to go about doing those things we recommend. We are not licensed financial counselors.

FRIVOLOUS DISPUTES

FCRA 611(a),(3) states "...consumer reporting agency may terminate a reinvestigation of information disputed by a consumer...if the agency reasonably determines that the dispute by the consumer is frivolous or irrelevant.."

If you have been receiving several disputes from a consumer on one of your trade lines reported to any credit bureau, this section may apply. We recommend the following: Send a letter to the credit bureau stating the consumer's name, address, DOB and SS#. State the you have received several disputes concerning your account number (be sure to

include your account number for the consumer's account) and that you have responded to each of them that the information is correct. State that you would like to invoke section 611(a)(3) of the FCRA. State that this is frivolous and repetitive and that you would like the credit bureau to stop wasting everyone's time and stop sending these frivolous disputes to you.

Both the FCRA and the FACTA act are on our web page. Just click on "ID Theft and Credit Info Links" then click on FCRA AND FACT ACT INFORMATION.

MONEY SMART WEEKSM ILLINOIS

APRIL 19 TO 25, 2009
www.moneysmartweek.org

If you would like to participate by conducting a program or by providing a location for one or more classes, please call: Larry Nelson, 309-353-5527.

SHARP DROP-OFF IN AUTO SALES AS CREDIT CARD SPENDING KEEPS PACE IN JULY

Consumers soured on vehicle purchases in July, but kept spending up on credit cards as overall consumer credit falls short of expectations.

Consumer credit expansion slowed sharply in July, paced almost entirely by credit card debt growth as auto sales nearly ground to a halt, the Federal Reserve said late Monday.

Overall consumer credit outstanding grew \$4.6 billion in July – or at an annual rate of 2.1 percent -- the smallest gain so far in 2008 and well below analysts' forecasts. Nearly all of the growth was in the revolving debt category, primarily comprised of credit cards.

Consumers in the U.S. added \$3.9 billion to credit card balances in July, an annual growth rate of 4.8 percent. The gains outpaced the rise in June which was revised by the Fed to 3.5 percent. In the second quarter of 2008, credit card debt grew at an annual rate of 3.5 percent.



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The Fed's monthly consumer credit report, commonly called G.19, does not include debt backed by real estate.

Non-revolving credit, like that found in auto, student, and personal loans, grew by \$678 million in July, or at an annual rate of 0.5 percent. According to Bloomberg, July's auto sales were at their lowest level in 15 years.

Total consumer debt outstanding in the U.S. stood at \$2.587 trillion at the end of July. (by Patrick Lunsford, www.insideARM.com, September 9, 2008)

LAWYERS CAN TELL CLIENTS TO INCUR DEBT BEFORE BANKRUPTCY

Can lawyers advise their clients to incur more debt in contemplation of bankruptcy?

The bankruptcy reform law enacted in 2005 — the so-called Bankruptcy Abuse Prevention and Consumer Protection Act — states that debt relief agencies may not provide such advice. The idea behind the prohibition is to prevent debtors from circumventing, abusing or undermining the bankruptcy laws.

But do lawyers come within the definition of "debt relief agency," as defined by the act?

That was the question addressed last week by the 8th U.S. Circuit Court of Appeals in a case filed by a Minnesota law firm and two of its clients.

The court's answer: Law firms and lawyers are indeed debt relief agencies as defined by the act.

So does that mean they can't advise clients to take on more debt in contemplation of bankruptcy?

The court's answer to that question: No.

The prohibition against dispensing such advice, it ruled, is an unconstitutional violation of attorneys' free-speech rights under the First Amendment.

"As written," the court stated, the prohibition "prevents attorneys from fulfilling their duty to clients to give them appropriate and beneficial advice not otherwise prohibited by the Bankruptcy Code or other applicable law."

As any bankruptcy attorney worth his or her salt knows, there are any number of situations where taking on more debt before filing for bankruptcy is the prudent thing to do.

One example, as the court noted, would be refinancing a home mortgage to lower mortgage payments, freeing up funds to pay off other debts and perhaps avoiding the need to file for bankruptcy altogether. Another example would be purchasing a reliable car so the debtor has dependable transportation to and from work.

Although the case was brought by a Minnesota law firm, the ruling is now the law throughout the 8th Circuit, including the state of Missouri, unless and until the Supreme Court rules otherwise.

"I don't know if we can prevent Congress from turning attorneys into a regulated industry by calling them debt relief agencies, but it's certainly been the view of every attorney I've spoken to that the prohibition against incurring any debt is an outrageous intrusion into the attorney/client relationship," said Kansas City bankruptcy attorney Max Jevinsky.

"Contrary to what Congress may think, not all debt incurred before bankruptcy is a manipulation of the bankruptcy laws. Debtors may need to take out student loans to get their kids into school. They may need to take on a lease obligation because they'll be giving up their homes. They may need to swap a \$700 car payment for a \$300 car payment. The 8th Circuit noted these types of situations, and it will be good to be able to legally give responsible advice to responsible clients."

Besides challenging the constitutionality of the prohibition against advising clients to incur more debt, the plaintiffs challenged another part of the statute. That provision requires debt relief agencies to disclose in their advertising: "We are a debt relief agency. We help people file for bankruptcy relief under the Bankruptcy Code," or words to that effect. The idea behind the mandated disclosure is to prevent deceitful or unclear advertising.

But the Minnesota law firm said that mandate also violated their First Amendment rights, by compelling speech.

This time the court sided with the government. The plaintiffs' constitutionally protected interest in not providing such factual information, it said, was minimal.

"Further, the disclosure requirements are reasonably and rationally related to the government's interest in preventing the deception of consumer debtors, as the disclosure requirements are directed precisely at the problem targeted by Congress: ensuring that persons who advertise bankruptcy-related

services to the general public make clear that their services do in fact involve filing for bankruptcy."

(www.creditandcollectionsworld.com, By DAN MARGOLIES, The Kansas City Star)

SPEAKERS

We have presentations for our members, 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.

TENNESSEE TO REVOKE HUNTING, FISHING LICENSES OF DEADBEAT PARENTS

NASHVILLE, Tenn. — The state is warning parents delinquent on child support payments that they risk losing drivers licenses, professional licenses and hunting and fishing licenses if they don't pay.

A news release from the Department of Human Services Tuesday says letters are being delivered to parents across the state behind at least \$500 and haven't made a payment in more than 90 days.

More than 7,000 licenses were revoked last year for failure to pay, and there are more than 20,000 licenses currently at risk. Professional licenses that could be revoked include those of registered nurses, real estate agents, security guards and teachers.

Parents can prevent revocation if they contact their local child support offices to set up payment plans or simply repay the past due amounts. (www.creditandcollectionnews.com /Wednesday, September 17, 2008)

KCB INFO SERVICES HOURS

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

KCB Information Services offers: Consumer credit reports, Business Credit reports, Employment Credit reports, Residential Mortgage Credit Reports, Merged Credit Reports, Criminal background checks, Tenant Screening Reports, Flood Zone Determination, Flood Life of Loan Certification, Identity Authentication and KCB Checking History Reports.

KCB Information Services has served businesses since 1928 and serves Central Illinois for Experian and Equifax.