

# KCB INFORMATION SERVICES

## The **ONE SOURCE** for all your credit reporting needs

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Oct. 31, 2004

Vol. 12, # 10

### **FINALLY!! FANNIE MAE & GMAC**

We can now offer Fannie Mae and GMAC qualified merged credit reports. If the Fannie Mae box is checked, you are already set up. If not, just call or e-mail us and we will turn it on for you.

**NOTICE!!:** Experian will drop you, if you do not pull a report each 6 months. If you go more than 6 months without pulling a report, you will need to sign new paper work.

### **MISLEADING COMPETITORS**

Several of our customers have been misled by some software salesmen. I have yet to find anyone that beat our price for consumer credit reports. Be aware of promises that seem too good to be true. **If you are not getting Experian Consumer credit reports, you are not getting credit information from over 20 central Illinois banks and credit unions that only report to us.**

Some of these companies are titling their reports incorrectly or at the very least with misleading titles. One company calls their reports: "Residential Merged Credit Reports," when in fact they are neither residential or merged. They are reports from ONE credit bureau and therefore could not be merged reports. The caption: "Residential Merged Credit Reports" is misleading since it sounds like the term: "Residential Mortgage Credit Report" also called; RCMP.

### **US CONSUMER CREDIT UNEXPECTEDLY FALLS IN AUGUST**

(Reuters) - The amount of U.S. consumer credit outstanding fell in August, its first drop since November 2003, the Federal Reserve said on Thursday.

The Fed said consumer, non-mortgage debt declined by \$2.4 billion to \$2.038 trillion in August, much weaker than Wall Street projections for a \$5.5 billion gain.

The Fed said the August drop - the first since a \$600 million decrease in November 2003 - was the largest one-month decline since December 1990, in the buildup to the first Gulf war.

The debt decline in August was led by a drop of \$3.4 billion in revolving credit, which tracks usage of charge and credit cards.

Non-revolving debt, which tracks closed-end loans for cars, tuition, mobile homes and vacations, grew by \$900 million.

While August numbers came in weaker than analysts had been expecting, the strong July data were revised upward slightly. July's total advance was revised to an \$11.2 billion increase from an originally reported \$10.9 billion gain.

Revolving debt grew by \$5.6 billion while July non-revolving debt advanced \$5.7 billion. (collectionindustry.com 10-8-04)

### **FITCH SURVEY SHOWS CREDIT RECOVERY BROADENING IN THE U.S.**

Stronger economic growth in recent months has resulted in credit quality gains, according to a new Fitch survey. The survey, which examined financial trends through the second quarter, revealed that a growing number of companies are reporting increases in revenue and decreases in debt on a year-over-year basis.

The trailing 12-month default rate dropped 1.5% in September, down from 3.2% in June and 5.3% at year-end 2003. In the second quarter of 2004, 81% of the companies in the Fitch sample, posted increases in revenue relative to the second quarter of 2003, and 58% of companies in the sample reported a year-over-year contraction in debt. Both of these measures were up from quarterly averages of 69% and 54% posting year-over-year increases in revenue and decreases in debt, respectively, in 2003.

Fitch says that most of this is being prompted by the stronger economic environment, which is expected to continue gaining ground. Fitch's expectation of 3.6% U.S. real GDP growth in 2005 also supports low defaults moving into next year. (creditcollectionsworld.com, 10-14-2004)

### **MORE COMPANIES TARGET 'UNBANKED' CONSUMERS**

NEW YORK - Regional lender KeyBank recently held focus-group meetings with people who don't have bank accounts to find out why they avoid the system.

"They bashed banks," said Bruce Murphy, the Cleveland-based company's president of community-development banking. "They've had bad experiences" with high fees often levied against lower-income consumers on minor transactions.

Soon after, KeyBank began offering paycheck and government check cashing services for a 1.9% fee - lower than most competitors - as well as a financial-education center offering tips on improving credit histories.

The effort will add to the bank's account holders and mortgage business, Murphy said. "We will break even in a three-year time frame and make money in four years. We're comfortable with the data we see so far."

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While dubious, high-cost check-cashing and overseas money transfers persist, a growing number of companies are vying to win business from an estimated 10 million unbanked U.S. households with new products, services and in some cases, lower prices.

The competitors include traditional banks, check-cashing stores, money-processing firms and even Wal-Mart, which now offers check cashing at some of its stores.

The Federal Reserve Board estimates 9.7 percent the U.S. population doesn't have a bank account, with most of that group earning under \$24,999 per year. It's a market that banks rarely pursued until recently, as the rival check-cashing business ballooned into an estimated \$60 billion to \$80 billion a year industry. ([collectionindustry.com](http://collectionindustry.com) October 11, 2004)

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### **EXPERIAN STUDY FINDS DELINQUENT PAYMENTS COULD BE HOLIDAY SEASON LUMP OF COAL FOR U.S. CONSUMERS' CREDIT SCORES**

IRVINE, CA - Experian Consumer Direct(SM), today announced the results of a nationwide study on the effects of delinquent payments on consumer credit scores. As the holiday season approaches, it can be easy to overspend and accrue debt. However, any late or missing payments can have a damaging effect on one's credit score. In fact, consumers with one missed payment in the last year have an average credit score about 160 points lower than the average of those with no delinquent payments.

National and statewide results for the study can also be found on the Experian National Score Index Web site at [www.nationalscoreindex.com](http://www.nationalscoreindex.com). Overall, the study found that:

\* 55 percent of U.S. consumers have at least one delinquency on their credit file and 34 percent have a delinquency in the last year.

\* The average Experian PLUS Score(SM) for consumers with one delinquency in the last year is 598 versus 759 for those with no delinquent payments.

\* The good news is 45 percent of the population have no delinquencies on their credit file.

"One of the best ways to maintain good credit is to pay bills consistently on time," said Ed Ojdana, president of Experian Consumer Direct. "That's why it is important to assess your finances before the holiday season when you're more likely to spend larger sums of money and possibly accumulate debt that you may not be able to pay on time down the road."

An important way for consumers to manage their credit score is to review their credit report on a regular basis. By reviewing their credit report frequently, consumers can also catch early signs of potential identity theft, which is the fastest growing crime in America.

The Experian study was compiled using the Experian National Score Index which is based upon a nationwide sampling of three million consumer profiles. The Experian National Score Index monitors several components of consumer credit behavior including average debt, credit utilization and monthly payments. The Index is formulated using Experian's consumer credit score model, called the PLUS Score. Experian's PLUS Score is a numeric representation of financial behavior, based on information found in a credit report. It can range from 330 to 830 with a higher score indicating lower credit risk. The average Experian PLUS Score for U.S. consumers is 677. (October 28, 2004, [collectionindustry.com](http://collectionindustry.com))

### **KCB INFORMATION SERVICES HOURS**

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

Consumer credit reports are from Experian.

Business 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 the following counties for Experian: Henry, Stark, Bureau, Putnam, LaSalle, Marshall, Woodford, Peoria, Knox, Fulton, Mason, McDonough, Warren, Logan, Henderson, Hancock, Adams, and Tazewell.

*What percentage of mortgages in the U.S. represent 100% or more of the underlying property value?  
5.4%, Up from 2.1% in 1993  
(AFLAC & CNBC)*