



**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**

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**OUR WEB PAGE**

We recently updated our members web page. Please check it out and let us know if your name and web page are correct.

**CREDIT SCORES**

Almost daily, we get questions regarding the scores on different bureaus and differences from the same bureaus. Each bureau has ten to twenty five types of credit score models. Some models look at length of time credit has been established differently then other models. Industry models, such as the Auto Models, put more weight on consumers who have had auto loans. Most all have different score ranges.

We recommend Experian/FICO V2, TransUnion FICO V4 Classic and Equifax Beacon 5. These are the versions accepted by Fannie, Freddie, VA and all the major mortgage companies.

Company	Version	Score Range
Experian	FICO V2	300-850
Experian	Auto Model	1-999
Experian	FICO Auto Model	350-850
Experian	Bankruptcy Model	108-1,200*
TU	Auto Model	300-900
TU	Bankruptcy Model	0-999
TU	New Acct. Models	150-950
TU	FICO 4 Classic	300-850
TU	FICO 4 Auto	250-900
TU	FICO Bankruptcy	350-900
Equifax	Beacon 5	300-850
Equifax	Beacon Auto	250-900
Equifax	Bankruptcy (BNI)	1-600
Equifax	Risk Score 3.0	280-850
VantageScore		501-990

( From all three bureau)  
\*Higher score is worse. With all others, the higher the score, the better.

Most auto dealers will pull the TU, Experian or Equifax Auto model, probably because they return a higher score.

When consumers get their free credit reports, the bureaus try to sell them a VantageScore. Notice that VantageScore starts 200 points higher then the normal FICO scores and it goes 140 point higher. The last time I checked, Equifax did offer the Beacon Score to consumers.

Another reason for the difference in scores would be the data and inquiries on file. Of the 85 banks and credit unions who pull from us, 41 report only to Experian or Experian and Equifax. Also, with the exception of the six or seven of our member banks that pull two or three bureau reports, you will not see inquiries from those 75 banks and CU's on TU or Equifax credit reports.

Lastly, a major reason for the difference in scores, is the purpose of the inquiries. FICO looks for the Purpose Code. If the Purpose Code

is missing or not correct, ie: auto or mortgage or Account Review, FICO can't score the file correctly. Experian and Equifax allow the AUTO Purpose Code, TU does not! **Therefore, every inquiry from TU, even for auto loans, will count against the consumer's score**, while multiple inquiries for Autos with Experian and Equifax will not reduce the credit score, if the creditors reported the correct Purpose Codes.

**MULTI-BUREAU REPORTS FOR CONSUMER CREDIT REPORTS**

We can now offer one, two or three bureau Consumer Credit Reports through our MCL system. Our MCL, multi-bureau program now has an expanded Purpose menu.

We have several credit report variations. You can pull a single bureau, two bureau or three bureau credit report. You can order two bureaus and only one credit score. You can order a single bureau and if you don't think the information is complete or correct, you can add one or two bureaus and the system will merge them into one report. You can also order a Experian Fraud Shield and/or a TU High Risk Fraud Alert when ordering a credit report.

Our MCL system costs a little more then a single bureau directly from TU, Experian or Equifax. However, you get, a Consumers Copy of the credit report, Credit Summary, Delinquent Summary, List of Creditors, Score Notice, Risk Based Notices, Adverse Action Notice and OFAC\* for no extra charges.

The MCL system also offers several ways to Verify IDs, including: SS searches from TU or Experian, TU Total ID, TU ID Search Plus, TU Comprehensive Locator and Experian Authentication Services Level One. The MCL system also lets you pull Experian Business Credit Reports or request an Income Tax Verification. You also have access to CreditXpert. CreditXpert is a program that provides an excellent way to explain credit scores to your customers. CreditXpert also show how a consumer can raise their credit scores.

You can use the Supplement feature to up date, dispute and add trade lines to your credit reports.

\* (only with Experian)

**FLOOD SERVICES**

We offer a variety of services through our Flood vender.

**Flood Zone Determinations** allows you to request a flood certification online. In areas where an instantaneous determination is not obtained, a team of professional flood map researchers hand maps the determination down to the structure to ensure compliance.

**Life-of-Loan Tracking** - monitors all determinations for FEMA flood map revisions that can affect the insurance requirements over the duration of the loan. Coverage is transferable when the loan is sold to another lender or servicer.

**Additional Flood Vendor Options** - In addition to its internal flood zone determination services KCB Information Services also enables lenders to utilize other reputable flood vendors including; LPS National Flood, Wolters Kluwer Financial Services, CBCInnovus, and LERETA, LLC.

**Appraisals** - several types of appraisals are available.

- 1004-Uniform Residential Appraisal (URAR)
- 1073-Individual Condo Appraisal
- 2000-One Unit Residential Field Review
- 1025 Multi-Family Appraisal
- BPO-Drive-By.

**AVMs** (Automated Valuation Models) are offered from from several companies:

- Home Value Explorer (HVE)* – **by Freddie Mac**
- Value Point 4* – **by First American**
- PASS* – **by Basis 100**
- Home Price Analyzer (HPA)* – **by Basis 100**
- CASA* – **by Case Shiller Weiss.**
- First Value*
- Value Sure*
- VeroVALUE*
- Value Wizard* and *Net-Value.*

**FDIC Number.** If you have a FDIC # we can put it on each Flood Certificate.

**FOUR WAYS WE CAN DISPUTE INFORMATION ON CONSUMER CREDIT REPORTS**

There are four ways we can correct a credit report you have pulled from us. Any incorrect information on a credit report should be disputed. That includes, incorrect SS#,s, incorrect addresses, incorrect aliases, incorrect trade lines, incorrect public records and inquiries.

**First:** If you have pulled the MCL merged or mortgage report, on the right side of the screen, you will see “**VIEW REPORT.**” The section below that will say: “**ADD-ON PRODUCTS.**” And below that is: “**Request Supplement.**” Just click on “**Request Supplement.**”

All you need to do is click on the boxes next to the trade lines you wish us to verify. There is also a space for you to report any other instructions or requests.

Under “**Preferences**” on the main menu, you will find the **Authorization Form** in the **Downloads** link. The form needs to be signed by all the applicants, and faxed to us before we can dispute or verify the trade lines and employment. If we are just updating your



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merged report we do not need any other information.

**DOCUMENTS NEEDED TO DISPUTE INFORMATION ON AN EXPERIAN, TU OR EQUIFAX CREDIT REPORT:**

*We need a letter from the consumer explaining what is wrong, a copy of their driver's license and a copy of their SS card. Experian, TU and Equifax **will not verify or change anything** without positive proof that it is really the correct consumer disputing the information. Picture IDs can not be faxed*

Copies of Paid Receipts, Lien Releases, Judgment Releases and letters from creditors verifying the status, are needed and can speed up the dispute process.

Once we have verified the information, we can change **our report**. This report is only for in-house lending. The corrected report can not be sent to Fannie or Freddie.

This usually takes 1 to 4 days. We can also verify employment and rental (landlord) payments and agreements.

**Second:** Same as above, but we file the dispute with the offending credit bureau(s). This will can take one to four weeks.

**Third:** By using **Rapid Rescore**, we can get the information corrected on the offending credit bureau in 3 to 5 business days. This is very expensive. We need the same information as in the First step, plus the Rapid Rescore authorization. The authorization is on our **Members Documents** page.

The consumer needs to sign an **Authorization Form**. This form is on our web page (and in our MCL Merged & Mortgage System.) Just go to **CREDIT PRODUCTS** and click on "**Member Documents**." The **Loan Verification** forms are near the bottom of the page.

**Forth,** The consumer can call us and we will dispute any incorrect information on a credit report you have pulled from us. If the consumer has obtained their credit report from another source, we can assist them in correcting their report. Since it is not pulled from one of our members, we do not have direct access to the consumer's file and there may be a fee to the consumer.

If you have pulled an Experian or Equifax credit report through us or using our numbers assigned to you, we can dispute the incorrect information for the consumer.

Only an authorized employee of our members can request verifications and updates to their reports. A consumer can not come in to our office and ask us to verify and change a report pulled by one of our members. **Also, we can not contact the lender, with the results of the dispute, if the consumer comes to us to dispute a credit report pulled by one of our members.**

**CREDIT SEMINARS**

We will conduct three seminars on pulling credit reports and understanding credit scores, for the CBAI. They will be on Nov. 29th, Nov. 30th and Dec. 1st. Please contact the CBAI at 217-529-2265 for times and locations.

Have your employees ever attended a class or seminar on credit reports or credit scores? Do you know what options are available from each credit bureau? Do you know how each of the 30 plus credit score models differ? Do you know what the "Score Factors" mean or even how many there are? Are your current and new employees learning from other employees who learned from other employees, who learned from who knows where?

We offer seminars several times a year and will be glad to come to your office and conduct a review of credit reports and credit scores.

**CONSUMER CREDIT FALLS \$9.5 BILLION IN AUGUST**

U.S. consumer credit posted its largest decline in more than a year in August, according to a Federal Reserve report on Friday that suggested consumers were reluctant to hold more debt amid a shaky economic recovery. Consumer credit fell a surprising \$9.50 billion in August after rising \$11.92 billion in July, the report said.

That was well below economists' expectations of a \$7.75 billion increase. "Consumers are extraordinarily sensitive to economic conditions and as things started to look a bit more sour, they stopped using their credit card," said Steve Blitz, a senior economist with ITG Investment Research in New York. The U.S. credit rating downgrade and Europe's debt problems triggered wild swings in global equity markets in August. That combined with higher unemployment to hold consumers back, economists suggested. (10-10-11, creditandcollectionnews.com)

**NEW BANK FEES PUSH MORE AMERICANS TO CREDIT UNIONS**

Last Friday, after Bank of America's (BAC) announcement of new fees on debit cards, retired postal worker Victoria Lee took her adult daughters to her local USPS Credit Union. "[My daughters opened] free checking accounts with no charges for the use of debit cards," Lee said. Like many Americans who are carefully watching every dollar, the Florida resident said she was grateful to have an alternative to retail Wall Street banks.

Meanwhile, a record-breaking 3,200 new checking accounts were opened over the weekend at the Navy Federal Credit Union, the world's largest credit union with 3.7 million members and nearly \$48 billion in assets. The

weekend surge -- which crushed the previous high of 2,500 -- fits into a larger trend for the credit union, which serves the Department of Defense and active duty military. It has had annual growth between 6.3% and 6.7% since 2007, and is on track to record a 14% uptick in membership this year, said Tisa Head, the senior vice president of savings products. In addition to its fee-free debit cards and accounts, another driver for the year's projected double-digit membership increase has been the credit union's willingness to post pay early for active duty members who use the Active Duty Checking account.

"You can't help but draw some lines to current economic growth," said Nancy DeDonna, vice president of membership.

Amidst the financial chaos on Wall Street in the last few years, and with the biggest names in retail consumer banking getting monthly, if not weekly, black eyes, credit unions have been steadily gaining ground. Since 2007, the credit union membership in the United States has increased from 86.8 million to more than 91 million, according to figures from National Credit Union Administration. Total assets have increased from \$755 billion to more \$942.5 billion at more than 7,290 credit union organizations.

Patricia Briotta, a spokeswoman for National Association of Federal Credit Unions, attributes the recent growth to people's rising desire to find alternatives to dealing with Wall Street.

"[The growth] mirrors the time when people were looking and giving [credit unions] greater value. This is a Main Street option," she said. The organization launched an online credit union search engine called CU Lookup in 2008, which allows consumers to search for local organizations. (By Catherine New Posted 10/04/11, Banking, Personal FinanceSee full article from DailyFinance: <http://srph.it/nrkbcD>)

**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, LiveScan Finger Printing, Tenant Screening Reports, Flood Zone Determination, Flood Life of Loan Certification, AVMs, 4506-T Income Tax Verifications, and Identity Authentication.

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

*"Life's tough...  
It's even tougher if you're stupid."  
John Wayne.*