



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

Oct. 31, 2012

Vol. 20, #10

customers.

DEBT COLLECTOR NCO SUED OVER ILLINOIS LICENSE ISSUE

A federal judge certified a class action against a collection agency that allegedly operated in Illinois without a license. Rocío Galvan and Joseph Hawthorne sued NCO Portfolio Management and NCO Financial Systems for collecting debts in Illinois without a license. They claim that NCO Financial is "one of the largest collection agencies in the world." NCO Portfolio purchases debts owed by individuals, and then NCO Financial collects the funds. Specifically, NCO Financial collected a debt Galvan owed to AT&T Universal, and a debt Hawthorne owed to Citibank. NCO Financial allegedly filed more than 1,000 consumer debt-collection lawsuits between 2007 and 2008 in Cook County Court alone. But the plaintiffs claim that NCO Portfolio was not licensed as a debt collector in Illinois, and therefore has no legal rights to the payments it collected. U.S. District Judge Matthew Kennelly found that the case hinged on a common question, and certified a class of Illinois residents from whom NCO collected a debt between June 2006 and June 2011. (9-18-12, Creditandcollectionnews.com)

NCUA EXAMINES ECONOMIC RISKS AND "FISCAL CLIFF"

The National Credit Union Administration (NCUA) released Monday a new video in the agency's free "YouTube" economic update series.

NCUA Chief Economist John Worth's October analysis examines recent economic developments and covers possible risks, including a discussion of the potential effect of the "fiscal cliff" on credit union performance. The national labor market continued to add jobs at a moderate pace. Compared to a year ago, the economy has picked up 1.8 million jobs overall and about 1.9 million private sector jobs. In September, the unemployment rate dropped to 7.8 percent - its lowest level since January 2009.

Consumer confidence continues to trend higher, along with new car sales. In September, 14.9 million in auto sales were reported, making it the best sales month in more than four years. New car sales are an important channel for credit union lending—representing about 10 percent of credit unions loan portfolios.

The fiscal cliff - the large increase in taxes and spending cuts scheduled to take place in 2013 - is also expected to take a dramatic toll on the economy, if it occurs. The video notes that credit union performance would likely worsen as the economy contracted and unemployment

SERVICEPlus CONSUMER CREDIT REPORTS

For those who have not switched over to our *SERVICEPlus* Consumer Credit Reports, *SERVICEPlus* Consumer Credit Reports offer many standard features and the ability to pull one, two or three bureau credit reports and **you are able to enter the correct Type/Purpose Codes!** (remember, not entering the correct Purpose Code can hurt the applicants' credit reports.) Equifax has also expanded the number of their Type/Purpose codes. When you enter the purpose codes in *SERVICEPlus*, you will be submitting the correct codes to Experian and Equifax. However, TransUnion, still, does not have purpose codes for Auto and many other types.

SERVICEPlus Credit Reports include:

An Experian report	FICO Credit Score
OFAC Search	Profile Summary
Derogatory Summary	List of Creditors
Source of Information	Risk Based Notice
Score Notice	Adverse Action Notice
Multiple Purpose Codes	Adverse Summary Report
Creditor's addresses and phone numbers	
And several other reports.	

You can add: TU and Equifax credit reports, Experian and TU Fraud Searches, I.D. Verifications, such as Soc. Sec Searches and Authentication Level One.

4506-T (income tax verifications) can be ordered.

Business Credit Reports are available.

CreditXpert. **CreditXpert** reports explains how each trade line effects their credit score and it show how your customer can raise their credit scores.

Trade line updates and Employment Verifications. As with our MCL Mortgage reports, you can request a trade line update or verification. And we can verify and add tradelines, from banks and CUs that do not report to any credit bureau, to your report.

If you need employments verified, we can verify your customers' employment and add it to your *SERVICEPlus* Consumer Credit Reports.

If you want more information or to get set up for *SERVICEPlus* Consumer Credit Reports, call or e-mail us.

LARRY NELSON IS NOW A CERTIFIED FICO PRO

Larry Nelson, has recently earned the Certified FICO® Professional (FICO Pro) certification.

This certification provides a knowledge benchmark for individuals who assess credit risk and how that risk impacts their company and

The Certified FICO® Professional (FICO Pro) program is designed to recognize individuals who have a strong understanding of FICO® scores and how the FICO® score impacts both the lender and the consumer.

In order to receive this certification, candidates must agree to a code of ethics and successfully complete three one-hour online courses delivered by AllRegs Academy: Exploring FICO Scores, Analyzing the Credit Report, and Communicating Credit Information. Certified FICO® Professionals (FICO Pros), based on FICO® scores and other credit and lending criteria, will understand how FICO® scores are created, the categories and data utilized in the credit report and the impact of FICO® scores on consumers. We now have two Certified FICO Pros in our office.

CREDIT REPORT TRAINING

The 3 national bureaus are now requiring us to conduct training of all users of credit reports. We will have classes, in our office on Nov. 28, Dec. 12 and Dec. 13th. Call or e-mail us to reserve a space at one of these classes. Also, we can schedule classes in your office.

Not all credit reports are the same. We have several systems and many formats. Using and understanding credit reports and credit scores will help you make more and better credit decisions.

After reviewing credit report files, we found the average credit score could be raised 29 points. Could you make more loans if your applicants' credit scores were higher? Do you know how to help your customers? Do you know how to send a file to us to dispute? Do you know how the credit bureaus, sort and retrieve files? Do you know how the credit scores are calculated? Do you know what a Score Factor is? Do you know how the Score Factors affect the Credit Score? Have you attended a class conducted by a Certified FICO Pro?

Learning how to do it right the first time will save you time. Just because you are "doing it they way you always have," does not mean it is correct.

One half of all consumers coming to us to help them correct their reports, went somewhere else first, and were told, incorrectly, how to correct their reports. They then want us to correct the reports correctly!

If you need a class for your employees or customers, please call us to set up a time and location. You can also watch our web page for the date and times for our next class.



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

rose as a result of these changes. Credit unions with ties to the federal government could be affected even more significantly. (10-22-12, CollectionscreditRisk.com)

MORTGAGE LENDERS SEE TIGHTER CREDIT UNDER NEW US RULES

Mortgage bankers and Realtors are warning that it could become even harder for borrowers to qualify for a home loan early next year as the industry faces a barrage of new rules. Regulators are preparing to release the language of two rules taking effect in January to set standards for non-abusive lending and require banks to hold a slice of risky mortgages on their books. In addition, U.S. banking overseers must also complete new capital standards mandated in the international Basel III accords next year. The housing rules, coming almost simultaneously, may overlap or conflict, creating what National Association of Realtors President Maurice "Moe" Veissi called a "perfect storm" of regulation. "There's this intersection of policies that are absolutely not being considered by this massive array of institutions, all involved in deciding the future of homeownership and rental opportunity," David Stevens, president of the Mortgage Bankers Association, said in an Oct. 22 speech at the association's annual conference in Chicago. (10-24-12, creditandcollectionnews.com)

BANKRUPTCY ATTORNEYS WARN CONSUMERS ON DEBT SETTLEMENT

A group of bankruptcy attorneys is warning cash-strapped borrowers against the hazards of working with companies that promise to reduce debt in exchange for a fee.

Consumers should proceed with caution before accepting an offer from a company that promises to negotiate on their behalf with credit card companies and other lenders, according to the National Association of Consumer Bankruptcy Attorneys.

"Unfortunately, most consumers who pursue debt settlement services find themselves facing not relief but even steeper financial losses," the association wrote in an alert published Wednesday.

According to the association, debt-settlement companies often advise clients to stop paying their bills, a move that can result in higher fees, fines and penalties that leave borrowers deeper in debt.

"Debt settlement schemes are a trap for most consumers because inherent in the industry's standard business model is the requirements that clients breach their contractual obligations with creditors," the group added.

The group is advising consumers to avoid companies that promise to pay off unsecured

debts at significant discounts, or that charge monthly fees or demand payment of a portion of the amount they promise to save.

The American Fair Credit Council, a trade group that represents debt settlement companies, did not respond immediately to a request for comment. The council has pointed out previously that companies who offer to resolve consumer debts must operate in accordance with rules set by the Federal Trade Commission.

"No debt resolution provide subject to the FTC's rules may (1) promote and market debt resolution programs in a manner inconsistent with the FTC's advertising rules, (2) charge or accept compensation of any sort until a consumer not only has been presented with a settlement but has accepted that settlement and has made at least one payment toward completion of the settlement, and (3) receive, actually or constructively, consumer funds," Robby Birnbaum, the council's president, wrote in a letter last month to Attorney General Eric Holder.

The bankruptcy attorneys' warning follows a string of efforts by regulators to police firms that offer to modify mortgages and other loans. The Federal Trade Commission filed three separate lawsuits last month in Florida, California and Ohio against three alleged scams that offer to relieve borrowers of mortgage burdens.

The Consumer Financial Protection Bureau in August sued a Los Angeles law firm over an alleged debt relief scam. California regulators warned consumers in January to be wary of promises for loan modification. (Collections & Credit Risk | Monday, 10-22-12, By Brian Browdie)

10 THINGS YOU SHOULD NOT REFRIGERATE

Certain items are at their prime when stored at room temperature.

Hot Sauce

It can live happily in the pantry for up to three years.

Potatoes

Refrigeration adversely affects their flavor, so store in the pantry in paper bags (plastic bags trap moisture and speed decay). Most varieties should last three weeks.

Bread

The refrigerator dries it out fast. Instead, keep what you'll eat within four days at room temperature and freeze the rest.

Onions

They like their original mesh bag (or any bag that allows for air circulation) in the pantry.

But keep them away from potatoes, which emit moisture and gases that can cause onions to rot.

Batteries

Stash in a drawer at room temperature. Extreme cold (or heat) can diminish performance.

Garlic

It will do well for two months in the pantry. Store loose, so air can move around it.

Tomatoes

They can get mealy in the fridge, so leave them on a counter, out of plastic bags. To speed ripening, store in a paper bag. Once ripe, they'll last for about three days.

Coffee

The fridge (and the freezer) create condensation, which can affect the flavor of both ground coffee and coffee beans. Coffee fares best in an airtight container in the pantry.

Nail Polish

Keeping it in the fridge can cause it to thicken. Store at room temperature, away from direct sunlight.

Winter Squashes

Varieties such as acorn, butternut, delicata, and spaghetti will last for about a month or more in the pantry. (10-22-12, Foxnews.com)

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.

"Elections should be held on April 16th-the day after we pay our income taxes. That is one of the few things that might discourage politicians from being big spenders."

~ Thomas Sowell