

The ONE SOURCE for all your credit reporting needs

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Nov. 30, 2008 Vol. 16, #11

LICENSING DECISIONS

FEES FOR 2009

As everyone knows, costs have sky rocketed. In February, Experian notified us of a 16% increase in fees. Then in March CSC/Equifax hit us with an 18% increase and Microbilt notified us of a 6% increase.

I have enclosed the fee structure for 2009. I have highlighted your present Membership Class. Please look closely at the new rate sheet to see if you would rather be a Dues Paying Member or a Non-Dues Paying Member.

Dues Paying Members get a discount on their credit reports, are not charged any fees for our seminars and classes, and they will receive a newsletter each month.

Please look at our price sheet for other products and services we offer. Our goal is to provide you with all your credit products. We don't believe you should be forced to buy your products from out of state companies.

CRIMINAL SEARCHES

Whether you are hiring volunteers for Little League coaches and umpires or a Treasurer for your organization or company or a Minister for your church or a new CEO for your company, we offer a variety of Criminal Back Ground checks and Employment Credit reports.

KCB offers several types of Criminal searches:

- Name searches with the Illinois State Police.
- Name searches by County.
- Name searches by State.
- Name searches nation wide.

In the near future, hopefully by Jan. 1, 2009, we will offer two new services:

- Finger print searches with the Illinois State Police.
- Finger Print searches with the FBI.

Finger print searches can be done in our office or yours.

We provide criminal back ground checks for:

HIRING DECISIONS

School Employees	State Govrnt
Day/Child care	Volunteer Emp.
Sunday School Teachers	Elderly care
Park District Emp.	Criminal Justice
Non-lic. Health Care	

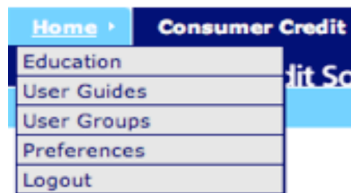
Healthcare Workers
Massage Therapist
Nurses
Security Guards
School Bus Drivers

Loan Originators
Locksmiths
Gaming
Lottery
Etc.

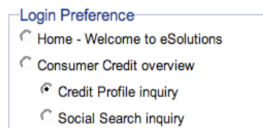
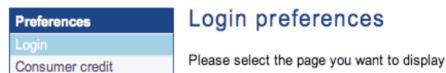
We also offer **Employment Credit Reports. Employment Credit Reports** provide Previous Addresses, Judgments, Tax Liens, Collections, Payments History and Inquires.

EXPERIAN PREFERENCES PAGE

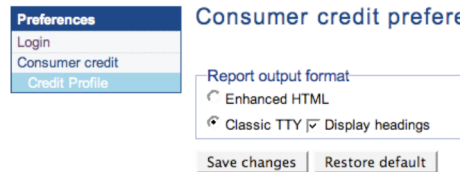
After you log in to Experian's web page, we suggest you click on the Home tab and highlight the "Preferences" menu.



If you click on the button next to the "Credit Profile Inquiry," the inquiry screen will default on each log in. Be sure to save any changes you make.



Then click on the "Consumer Credit" menu.



Now you can choose which format you wish, either the new USA format or the older (and shorter) format.

PERMISSIBLE PURPOSE & CREDIT SCORES

The FCRA states that any credit report ordered through a reseller (such as KCB) must include the permissible purpose, type code or reason for the credit report. If a creditor is a member of any of the three national bureaus directly, then they do not

need to state the purpose of the request.

The problem(s) arise with credit scores. Inquiries count for 10% of Fair Isaacs credit score. If no purpose or type code is entered with the request, and the permissible purpose is for an auto or mortgage loan, each incomplete inquiry could lower the score from 1.5 to 5 points. Multiple inquiries for auto or mortgage loans in the last 30 days only count as one inquiry when FICO calculates the score.

"Permissible Purpose" is the reason you are allowed to pull a credit report. Violating the "Permissible Purpose" section of the FCRA is most often the reason people and their employers get sued.

The main areas of concern of Section 604 are:

§ 604 Permissible purposes of consumer reports [15 U.S.C. § 1681b]

(a) *In general.* Subject to subsection (c), any consumer reporting agency may furnish a consumer report under the following circumstances and not other:

(2) In accordance with the written instruction of the consumer to whom it relates.

(3) To a person which it has reason to believe:

(A) ..in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; or

(B) intends to use the information for employment purposes or intends to use the information in connection with ... eligibility [for]... a license...

(F) otherwise has a legitimate business need for the information.

To be safe, get a signed authorization from the consumer, to pull a credit report. The authorization should include the reason, ie: rental, auto loan, line of credit. The authorization should not be vague, ie; "I understand that where appropriate, credit bureau reports may be obtained," is insufficient to grant permission.

Also, do not pull a report on a spouse, unless both have applied. If you take applications on line or over the phone, be sure to have a well defined written procedure and do not reveal the contents until the consumer(s) have signed the application.

You must keep all applications for 25 months

2008 DATA BREACHES: 30 MILLION AND COUNTING

Reported breaches of consumer account information well outpace those in 2007.

Roughly 30 million consumers have had sensitive personal data stolen in the 52



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reported data breaches so far in 2008, the Identity Theft Resource Center, told BS&T.

The ITRC, a national non-profit organization to help victims of identity theft, provided figures as of this Tues., Nov. 4. They show the breach trend continuing strongly upward since the ITRC reported in September that breaches reported for the first nine months of this year already exceeded those for all of 2007.

Jay Foley, executive director of the San Diego-based organization, said it's hard to say whether this reflects a rise in actual breaches or better reporting of breaches. It is only within the past five years that most states (44) now require that consumers be told when their data has been breached. "Are we having more breaches or more companies stepping up and saying 'we're having breaches?'" Foley asks rhetorically.

Most of the 30,498,740 records exposed this year represent single individuals, Foley explained. "Each is an individual [name and driver's license number/social security number], a credit card number or a financial account number," he said. (www.banktech.com, By Orla O'Sullivan, Bank Systems & Technology, November 06, 2008)

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.

If you would like us to speak to your employees, service club, church or school, please call us.

DEBT SETTLEMENT COMPANIES LARGELY IGNORED BY BANKS

As the FTC focuses its regulatory muscled on the growing debt settlement industry, banks are conspicuously quiet on the matter, opting to speak as a whole rather than as individuals.

Creditors don't like to talk about debt settlement companies, most likely because creditors see debt settlement companies as hurting rather than helping the debt collection process.

"We choose not to work with debt settlement companies," said Matt Towson, spokesman for Discover Financial Services, Riverwoods, Ill. The company refused to comment beyond the statement. But most other major lenders won't comment at all; they did not respond to

repeated requests for interviews on the subject of debt settlement companies.

Their view of debt settlement companies shouldn't be surprising due to the wall the debt settlement process tends to put up between debtors and creditors, said Jamie Welsh, director at accounts receivable management advisory firm Kaulkin Ginsberg.

Once the consumer signs up with a debt settlement company, the firm typically uses legal means to prevent further communication between the debtor and creditor(s). This sets off a chain of events leading to lower credit scores for the debtor and a communication black hole for the creditors.

By being non-responsive to creditor communiqués, the consumer's credit score takes a hit. Instead of paying the credit issuer, the consumer is now obligated to make payments into the debt settlement company's escrow account, which in turn does not make payments to the creditor until a minimum threshold is reached. For example, the debtor might pay the settlement firm \$100 a month, but the firm might not pay the creditor until it has collected \$400 from the consumer.

Meanwhile, the creditor has no contact with the debtor, with all calls being routed through the debt settlement company. They are often told that a settlement is in process. But no payments are being made on the consumer's account. So the creditor is compelled to do the only thing they can: report the non-payments to credit bureaus, driving the consumer's credit score even lower.

On the federal level, the debt settlement industry isn't regulated in any uniform way, though there are some state laws that some of the firms -- depending on office location and where they do business -- must abide by.

In a recent workshop held by the Federal Trade Commission, panelists agreed that the Treasury Department's Comptroller of the Currency should be the national regulator, which would provide a better solution than individual state oversight.

The FTC's workshop also provided a rare opportunity for banks to speak out on the debt settlement industry. Speaking on behalf of the industry, the American Bankers Association noted at the workshop that the banking industry views the debt settlement industry as "very harmful" to both consumers and creditors. "[Banks] do not see the debt settlement industry as a necessary player," said ABA spokesperson Virginia O'Neil.

O'Neil noted that the vast majority of banks do not have formal written procedures in

place to deal with debt settlement companies. Settlements reached with the help of intermediary companies are typically the same as settlements reached dealing directly with the consumer, she noted.

The FTC will be collecting comments on the debt settlement industry through Dec. 1, and will then decide how to proceed in regulating the burgeoning industry. (by Phil Britt, insideARM.com, November 3, 2008)

FCRA CERTIFICATIONS

Starting in January, any user of **KCB Express Credit Searches** will be required, by Microbilt, to take a FCRA Certification Class at a cost of \$29.00. If you are pulling Experian or Equifax reports using KCB Express, we can set you up to get reports from Experian's or Equifax's web site for no added costs or certifications. If you are pulling back ground checks, you will need to take the course.

U.S. CONSUMER CREDIT ROSE IN SEPTEMBER AFTER DROP

Borrowing by U.S. consumers rose in September, reversing the biggest drop on record, according to statistics from the Federal Reserve. Consumer credit rose by \$6.9 billion, or 3.2 percent at an annual rate, to \$2.59 trillion, the Fed said today in Washington. In August, credit fell by \$6.3 billion, the most since records began in 1943. Looking beyond the month-to-month volatility, the figures have started to reflect the freeze in lending that is forcing consumers and businesses to retrench. The loss of 1.2 million jobs this year is darkening the outlook, underscoring forecasts that the economy is heading toward the worst slump in decades. "Credit is hard to get and is going to get even harder to obtain in the future," said Chris Rupkey, chief financial economist at Bank of Tokyo-Mitsubishi in New York. (11-10-08, www.creditandcollectionnews.com)

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.