



The ONE SOURCE for all your credit reporting needs

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**WE WISH YOU A MERRY CHRISTMAS
AND A HAPPY NEW YEAR**

FEES FOR 2012

If you are receiving this newsletter with our monthly bill, you will also receive our fee schedule for 2012. We have outlined your current membership class.

Please look at the schedule. We have several new products and packages for 2012. Some of the packages could reduce your credit report fees.

DID YOU KNOW?

If you use programs such as ARTA and Compliance One, you can give them the Subscriber numbers we assigned you, and the reports will come from us.

Our MCL Consumer, Merged and Mortgage system has over 87 million trade line formats!! If you don't like the format you are using, let us know what you would like to have.

If you do not enter the correct Purpose Code, you could damage and lower your customers Credit Scores.

Multiple inquiries for auto and mortgage loans (in the last 30 day), Refresh Mortgage Reports, inquiries for Employment, inquiries for Account Review and inquiries through AnnualCreditReport.com do not count against the consumer's credit score.

Everyone is allowed **three free credit reports each year**. One, from each of the three national credit bureaus. No credit card number and no sign up is required. (They are available from our web page)

We do not have a voice mail or menu system. When you call us, you get a real person.

KCB Information Services is the only full service credit bureau in Illinois. (We offer a **complete line** of products and services for Banks, CUs, Land lords, Collection Agencies and Employers.)

METRONET SEARCHES

MetroNet provides access to comprehensive contact data on more than 140 million households and 19 million businesses **for as little as 25¢ per search**. Metronet is an excellent non-FCRA source of information for bank and CU collection departments and collection agencies.

You can search for the following information through MetroNet:

- * Names and Addresses
- * Change of address information
- * Telephone numbers

- * Current Name and Address associated with telephone numbers
- * Best known address for Social Security numbers
- * Neighbor names, addresses and telephone numbers for current addresses and former addresses
- * Other household members
- * Surnames
- * Business names and addresses
- * Standard Industrial Classification (SIC) codes or categories

MetroNet also offers three search options from Experian's File One database:

- * File One Phones
- * Best address
- * Comprehensive search which uses the best of the File One database in conjunction with the MetroNet core database

MetroNet can be accessed in a batch mode, through user-friendly interactive interfaces and through Experian's Collection Advantage service. The online and interactive access methods are Web, XML, mainframe and IP to IP.

More information is on our web page. Just click on CREDIT PRODUCTS and then click on METRONET.

ACCOUNT REVIEW

Account Review allows you to pull a report on one of your customers, for "review of credit" if they have an open loan. The purpose of an Account Review credit report, is not to make a new loan, but to review the credit report of a customer who currently has outstanding loans.

Many banks and CUs are using these reports for review of credit cards accounts, overdraft checking account loans and HELOCs.

We have two types available. The first Account Review returns a credit score only. The accounts are submitted in a batch format.

The second is a regular credit report, but we assign you a separate sub-code and a new Purpose Code.

Some banks use the first method to review the portfolio, and then the second method to review only those who had a low score or an adverse change of score.

Since this inquiry is not for new credit, the inquiry is not counted against the consumer's credit score.

If you would like to pull credit reports to

review the credit on current loan customers, please call or e-mail us.



April 21 to April 28, 2012

Money Smart Week was started by the Federal Reserve Bank of Chicago 10 years ago. It is now in Ind. Wisc, Iowa, the Quad Cities, Rockford, Peoria Tri-County Area, Champaign, Bloomington/Normal, and Springfield.

Classes on financial matters are sponsored by over 300 partners, including The Illinois Treasurer's office, Illinois St. Univ., National City (PNC), Morton Community Bank, KCB Information Services, Heritage Bank, CEFUCU, Krogers, Heartland Bank, Friendship House, Common Place, and the Creittenton Centers.

All classes are free and they range from buying groceries, to family budgeting, to buying a home, to understanding credit scores, to planing a funeral and many other subjects are covered. www.moneysmartweek.org

If you wish to conduct a class or sponsor a location, please contact me.

LAYAWAY MAY COST MORE THAN USING CREDIT CARDS

Senator says if stores aren't more up front about process, he will go to the FTC

ALBANY, N.Y. — The return of layaway plans this holiday shopping season is raising concern that the break from credit cards might actually cost consumers far more.

For example, a rock 'n' roll Elmo doll that requires a \$5 layaway fee and a 10 percent down payment for a month can equal a credit card that charged more than 100 percent interest, U.S. Sen. Charles Schumer said.

Schumer is asking major retail associations to direct their members to more clearly present their layaway fees to customers. The New York Democrat says the ultimate cost of a layaway with a \$5 fee can equal 40 percent interest over a month or two for many common purchases compared to the annual rates of most credit cards.



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He said if stores don't better present the cost of layaway purchases, he will ask the Federal Trade Commission to determine whether the increasing use of layaway is a deceptive or misleading business practice. Historically, stores started dropping layaway plans in the 1990s in part because of these costs and inconveniences.

But stores have noted that any fee they charge shouldn't be seen as a windfall.

Often the fee covers the cost of handling a layaway account, the cost of keeping workers available to provide items when the layaway is paid off, and the cost of storing items for weeks and disrupting what could be a faster turnover. The fee can also be a "restocking fee," which covers the cost of returning the item to the shelves if the layaway isn't completed. In addition, retailers say the fee helps reduce the loss if a layaway isn't completed and item can't be immediately resold.

Schumer said most states limit credit card interest at 16 to 35 percent, but layaway plans can end up costing more in borrowing costs for consumers who often have a lot of credit card debt.

"These layaway programs are nothing more than hideaways for sky-high interest rates that consumers would never tolerate with a credit card," Schumer said. "The holiday season is supposed to be about giving and not taking, but these layaway programs are taking advantage of people and charging them outrageous interest rates, under the guise of making it easier and more affordable to shop."

Schumer said late Friday that he is sending letters to the Retail Industry Leaders Association and the National Retail Federation asking them to advise their members to clarify layaway costs. The association had no immediate comment and the federation declined to comment until it could research Schumer's concern.

Major retailers nationwide are reviving the layaway plan that started during Great Depression as a way to help low-income people without access to credit to buy presents during the holidays.

"As a financing option, layaway is decidedly worse than most credit cards," Professor Louis Hyman of Cornell University recently told The New York Times. Hyman is the author of "Debtor Nation: A History of America in Red Ink." (By Micheal Gormley, AP, 11/13/2011)

CREDIT SEMINARS

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.

ILLINOIS ATTORNEY GENERAL TRIES TO STOP "ROBOCALLS" TO YOUR CELL PHONE

CHICAGO— The attorneys general from Illinois and Indiana are joining consumer groups to fight the bill, saying it's being pushed by the debt collection industry.

Illinois Attorney General Lisa Madigan, says, "the real problem occurs when you have individuals who don't have an unlimited minutes package, so an individual with a prepaid calling plan. Those individuals then are going to have to use their minutes, essentially their money, to be inundated with calls. Not just from debt collectors but from any business."

Supporters of the bill say "robo calling" could allow businesses to send appointment reminders to customers as well as alert them to a flight delay or notify them of potential credit card fraud.

Critics say the bill creates new legal loopholes for telemarketers which could lead to unsolicited text messaging campaigns. (Rachael Purl, WGN News, 11-10-2011)

ALLY BANK CONSIDERS THROWING MORTGAGE UNIT INTO BANKRUPTCY

Ally, which became a bank in 2008 with the help of bailout money, is considering putting ResCap, its residential mortgage unit, into bankruptcy. What does this mean for the bank as a whole?

Ally, that bank with the annoying or cute commercials, depending upon your perspective, is considering throwing the company's residential mortgage unit (ResCap) into bankruptcy, according to the *Wall Street Journal*.

ResCap has lost over half a billion dollars over the past two quarters and has \$2.3 billion in debt coming due between now and the end of

2013, nearly four times the cash the company has on hand as of September 30th.

Some may remember that Ally is the old GMAC, which was allowed to become a bank in December of 2008 and tap \$17 billion in bailout money. As the NYT reported at the time, becoming a bank was "a crucial step that will help ensure the survival of the company."

Some view a ResCap BK filing as unlikely. "Legal observers warn that the gambit is seen as a last resort for a good reason, in part because bankruptcy can be unpredictable." "There's a reputational hazard," said Harvey Miller, a veteran bankruptcy lawyer at Weil, Gotshal & Manges. "Once you put a subsidiary into bankruptcy, people start to wonder: How safe is the parent? How safe are the other affiliates?"

Meanwhile, the work of Ran Duchin and Denis Sosyura is highlighted on Zero Hedge. The researchers from the University of Michigan looked at a sample of 529 public firms that were eligible for the government's Capital Purchase Program, a key part of TARP.

What Duchin and Sosyura found was that banks at signed up for CPP took on more risk than banks that didn't.

"Overall, the analysis of banks' investment portfolios suggests that CPP participants actively increased their risk exposure after being approved for federal capital. In particular, CPP recipients invested capital in riskier asset classes, tilted portfolios to higher-yielding securities, and engaged in more speculative trading, compared to nonrecipient banks with similar financial characteristics."

More bailing out of the bailed out dead ahead.

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.

"I predict future happiness for Americans if they can prevent the government from wasting the labors of the people under the pretense of taking care of them." -- Thomas Jefferson