



The ONE SOURCE for all your credit reporting needs

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NOTICE TO ALL EXPERIAN REPORTING MEMBERS

If you are reporting to Experian, Experian will charge you \$50.00 per quarter **unless** you are set up with e-Oscar.

You can sign up with e-Oscar at: <http://www.e-oscar.org>

If you have any questions, please call or e-mail us or contact your Experian data rep.

NEW MEMBERS

We welcome several new members this year: The First State Bank of Forrest, Becker Brothers Inc., Willows Apartments of Scottsburg, Ind. Community Bank of Easton, Illinois Valley CU, Bloomington Municipal CU, Normal City Employees FCU, Sumner National Bank and City of Pekin HR Dept.

L.O.S. SUPPORT

Our MCL Mortgage and *ServicePlus* credit reports work with over 70 types of software.

Here is a brief list:

- 1003 Power Loan Builder
- Avista
- Blueberry
- ScoreGuardian
- Channel
- Commerce Velocity
- Creative Visions
- EZLender
- MortgageWare
- Price My Loan
- LendingQB
- Mortgage Solutions
- XpressQual
- ProLender
- GUS
- Smart System
- ARTA
- Broker Logix
- BytePro
- Closed First
- Loan Vision
- Mortgage Methods
- Metavante
- MortgageBot
- Destiny
- Loan Score
- LoanQuest
- Overture
- PowerPak
- Mortgagebot

If you are using a L.O.S that does not have a link to KCB or MeridianLink, ask your software tech support to contact us or MeridianLink. If you are interested in using our LoansPQ or LendingQB software, please contact us.

CSC TO SELL CREDIT SERVICES UNIT TO EQUIFAX FOR \$1 BILLION

U.S. technology services provider Computer Sciences Corp will sell its credit services unit to business information provider Equifax Inc for \$1 billion in cash, and record after-tax proceeds of about \$750 million to \$800 million. CSC's shares were up about 4 percent at \$39.54 on the New York Stock Exchange, and those of Equifax were also up about 4 percent at \$53.59 on Monday morning. The credit services unit provides financial services and consumer credit information to the automotive industry, banks, retail establishments, mortgage companies, medical entities, and utilities in the United States.

Jefferies & Co analyst Jason Kupferberg said CSC's credit services business is extremely profitable. "We'd expect the transaction to be dilutive, and it will also put more pressure on CSC's core IT solutions/services business to perform," Kupferberg wrote in a note to clients. CSC, currently valued at about \$5.91 billion, said the sale of its credit services unit would help it focus on its technology solutions and services business. (12-4-2-12, creditandcollectionnews.com)

DEFAULT RATES INCREASE FOR MOST LOAN TYPES

The November release of the S&P/Experian Consumer Credit Default Indices, a comprehensive measure of changes in consumer credit defaults, showed that most loan types saw an increase in default rates in October. After nine consecutive months of declining default rates, the national composite increased to 1.55 percent in October from the 1.46 percent September rate. The first mortgage default rate increased from 1.36 percent in September to 1.47 percent in October. Bankcard default rates posted the lowest post recession rate in October (3.68 percent), compared with 3.70 percent in September. (12- 6-12, Experian.com)

| Index | October 2012 Index Level | September 2012 Index Level | October 2011 Index Level |
|-----------------|--------------------------|----------------------------|--------------------------|
| Composite | 1.55 | 1.46 | 2.15 |
| First Mortgage | 1.47 | 1.36 | 2.08 |
| Second Mortgage | 0.65 | 0.64 | 1.29 |
| Bank Card | 3.68 | 3.70 | 4.85 |
| Auto Loans | 1.14 | 1.11 | 1.22 |

Source: S&P/Experian Consumer Credit Default Indices Data through October 2012

| Metropolitan Statistical Area | October 2012 Index Level | September 2012 Index Level | October 2011 Index Level |
|-------------------------------|--------------------------|----------------------------|--------------------------|
| New York | 1.35 | 1.28 | 2.09 |
| Chicago | 1.78 | 1.82 | 2.64 |
| Dallas | 1.26 | 1.03 | 1.30 |
| Los Angeles | 1.44 | 1.45 | 2.15 |
| Miami | 2.44 | 2.48 | 4.16 |

Source: S&P/Experian Consumer Credit Default Indices Data through October 2012



April 20 to April 27, 2013

Money Smart Week was started by the Federal Reserve Bank of Chicago 11 years ago. It is now in Ind. Wisc., Iowa, the Quad Cities, Rockford, Peoria Tri-County Area, Champaign, Bloomington/Normal, Decatur and Springfield. Two other Federal Reserve offices have also picked up the program.

Classes on financial matters are sponsored by over 300 partners, including The Illinois

Treasurer's office, Illinois St. Univ., National City (PNC), 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

*We will hope to have two classes in Springfield, Decatur, Bloomington and Peoria. The two classes we sponsor are, **Credit Scores: The Silent Killer, and, ID Theft: Prevention and Recovery.***

If you would like to host or conduct a class, please contact me so we can schedule it. We are always looking for new topics.

FDIC LAWSUITS GO AFTER BANK EXECS

If you've ever felt a twinge of resentment toward bankers who land on their feet financially even as their institutions collapse, you'll probably be happy to know the Federal Deposit Insurance Corp. has started cracking down on management at failed banks this year. According to a new study by Cornerstone Research, the FDIC filed more lawsuits against bank directors and officers this year than in 2010 and 2011 combined. In fact, in the fourth quarter of 2012 alone, the agency filed nine separate lawsuits, around four times more than during all of 2010.

For instance, remember IndyMac Bank? Its failure in 2008 cost the FDIC's Deposit Insurance Fund \$12 billion, but the agency may be set to recover some of that, thanks to a big judgment against former IndyMac executives. From Jeff Horwitz at American Banker:

The verdict in U.S. District Court for the Central District of California declared three former IndyMac execs culpable for more than \$168 million in loan losses. The decision may prove pivotal to the FDIC in recouping a small portion of the more than \$12 billion of losses it suffered in the wake of the lender's bankruptcy. The men's liability for the bank's mistakes allows the FDIC to pursue insurance claims involving policies protecting them against findings of negligence.

The case was litigated on behalf of the FDIC by Nossaman LLP, a Los Angeles law firm. It is the first suit to go to trial among 39 that the regulator has brought against the directors of failed banks.

FDIC attorneys claimed during the trial that the worst of the IndyMac Homebuilder Division's excesses began in 2004. They argued that was when the three defendants -- division Chief Executive Scott Van Dellen, Chief Lending Officer Richard Koon and Chief Credit Officer Kenneth Shellem -- concluded that lender competition for blue-chip



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residential construction loans was driving down margins. The three executives responded by shifting their division's focus to targeting "smaller, less price competitive builders," the FDIC said.

Meanwhile, the executives failed to put in place the controls required to manage this business, the regulator said.

They've probably ruined a lot of executives' holidays, but the suits may end up benefiting consumers.

Despite being cushioned from the full blow of a bank failure by FDIC insurance, consumers often pay the price when banks fail by getting less favorable rates and higher fees than they had at their old bank. More bank failures also mean fewer choices for consumers in local markets. And of course, bank failures put taxpayers at risk because the FDIC is backed by the full faith and credit of the U.S. government, which ultimately means we would all be on the hook in the event of a truly catastrophic run of bank failures.

While these lawsuits likely will recoup only a small percentage of the FDIC's losses of the past few years, they might well be worth the trouble if going after the personal fortunes of executives who play key roles in a bank's collapse can help curtail risky behavior in the industry. Still, it also will likely discourage banks from loosening their purse strings when it comes to consumer lending, too. (12-20-12, creditandcollections.com)

COMMUNITY BANKS DECLINING IN NUMBERS

Since the mid-1980s there has been a tremendous consolidation in the U.S. banking industry. The number of banks fell from 19,017 in 1984 to 7,357 in 2011, according to the Federal Deposit Insurance Corp. And the percentage of assets held by community banks fell from 38 percent to 14 percent. In other words, the big banks got bigger. But despite the loss of thousands of small banks, community banks remain an important part of the banking industry, the FDIC said in its latest issue of Supervisory Insights. Community banks make up the the majority of offices in rural counties, and one out of five of all U.S. counties there are no physical banking offices except those offered by community banks. "As of 2011, they (community banks) held 14 percent of banking industry assets, but 46 percent of the industry's small loans to farms and businesses," the FDIC's report on community banks said. "Despite the changes ... community banks continue to play a unique and important role in our economy. As of 2011, community banks made up 92 percent of FDIC-insured banks and 95 percent of U.S. banking operations." (12-26-12, creditandcollectionnews.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.

Both Larry Nelson and Tracy Powell are Certified FICO Pros.

TRANSUNION SAYS AUTO LOAN DELINQUENCIES ARE NEAR RECORD LOWS

People are borrowing more money per car purchase, but they are paying the vehicles off reliably, pushing the national auto loan delinquency to near a record low.

"It's a real sign that the automobile market is on solid footing that even with more non-prime consumers carrying auto loan balances, we've continued to maintain a low national auto loan delinquency rate," said Peter Turek, automotive vice president in TransUnion's financial services business unit.

"We believe this is happening partly because consumers are now valuing their auto loans even more than their credit card and mortgage loans; also, lenders and dealers are putting even more emphasis on placing buyers in vehicles and loans that best fit their financial situation," Turek said.

The national auto loan delinquency rate is expected to rise slightly from 0.36% at the end of 2012 to 0.37% by the end of next year, but the level has dropped more than 50% since reaching 0.86%, its peak in the fourth quarter of 2008, according to TransUnion's national consumer credit database.

Consumers in Mississippi, Louisiana and West Virginia have the most auto loan borrowers that are 60 days past due, with rates ranging at 0.88% for Mississippi and Louisiana and .70% for West Virginia during the current quarter.

Montana, Alaska and Minnesota have the lowest delinquency rates at 0.13%, 0.17% and 0.23%, respectively.

California's delinquency rate was 0.39% in the third quarter, compared with 0.62% in the third quarter of last year. That represented one of the largest declines nationally. (12-18-12, Jerry Hirsch, creditandcollectionnews.com)

EXPERIAN RECOGNIZED BY THE NATIONAL FOUNDATION FOR CREDIT COUNSELING FOR ITS COMMITMENT AND CONTRIBUTIONS TO FINANCIAL EDUCATION

Experian®, the leading global information services company, today announced that its vice president of public education, Maxine Sweet, was recognized by the National Foundation for Credit Counseling (NFCC) with its Making the Difference Award during the organization's 47th Annual Leaders

Conference in Charlotte, N.C., which took place Sept. 30–Oct. 3, 2012.

Introduced in 2005, the NFCC's Making the Difference Award honors individuals who have made significant contributions to assisting consumers with financial literacy, awareness and education, furthering the NFCC's mission, vision and programs through a national presence.

"Maxine Sweet personifies this award," said Gail Cunningham, vice president of membership and public relations at the NFCC. "Her level of commitment, passion and knowledge combined with Experian's financial education resources has made a remarkable impact on consumers' lives."

"It is a true honor to receive an award with such great meaning," Sweet said. "As a company, we strive to make a difference. Through the services we provide, the organizations we support and the communities we serve, we will continue to make financial education the heart of Experian."

The NFCC's Annual Leaders Conference addresses relevant and timely topics affecting the credit counseling sector. Attendees convene to network and to learn more about the latest developments in the housing, bankruptcy, legislative and financial education sectors.

Sweet and Rod Griffin, Experian director of public education, also conducted a Credit Ambassador workshop for NFCC educators and counselors at the conference. The workshop provided an overview on how to build or restore credit and what to do in case of fraud as well as discussed other consumer resources available from Experian.

To learn more about Experian's financial education resources, please visit <http://www.LiveCreditSmart.com>. (12-6-12, creditandcollectionnews.com)

KCB INFO SERVICES HOURS

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

Close from 12:30pm to 1:30pm

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.

*"There are two ways to conquer
and enslave a nation...
One is by sword... The other is by debt."
John Adams 1826*