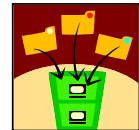




What is a Credit Bureau?

- A library of information
- 250 million credit reports
- 4.5 billion items updated monthly
- 3 repositories
 - TRANS UNION
 - EQUIFAX
 - EXPERIAN



What is a Credit Report?

- All Credit Reports are:
 - Automated
 - Updated monthly
- All Credit Reports May Contain:
 - All loans including:
 - Mortgages
 - credit cards
 - Student loans
 - Credit Score
 - Fraud Alerts

Financial Institutions' View on Paying Habits

- Vary on lending philosophies
- Own standards
- Policies
- Credit scoring models
- Fannie Mae & Freddie Mac



FCRA Issues

- Statute of limitations
- Who can pull your file
- Permissible purposes
- Disputed information
- Bankruptcy



FAIR CREDIT REPORTING ACT (1997)

Overview of: Data Furnisher Responsibilities

Fair Credit Reporting Act Section 623

- Ensure Accurate Information
- Correct and Update Information
- Provide CRA with Notice of Dispute
- Provide Voluntarily Closed Account Information
- Report Date of Delinquency
- Additional Reinvestigation Requirements

Fair Credit Reporting Act Section 623 (cont.)

- Correct and Update Information
 - Furnisher responsibility to promptly notify CRA of correction
- Provide CRA with Notice of Dispute
 - If consumer disputes completeness or accuracy of any information reported to CRA, the furnisher can't report it to CRA without providing notice of the dispute.
- Provide Voluntarily Closed Accounts
 - When a consumer voluntarily closes an account, the furnisher must report this fact to the CRAs.

Fair Credit Reporting Act Section 623 (cont.)

- Report Dates of Delinquency
 - Furnisher must notify CRA of delinquency date (month/year) within 90 days of delinquent account being:
 - Placed for collection;
 - Charged to Profit and Loss;
 - Or similar action regarding Section 605.
- Reinvestigation Requirements
 - After CRA notifies furnisher of dispute, furnisher:
 - Must reinvestigate
 - Review “all relevant information”
 - Report reinvestigation results to CRA

Fair Credit Reporting Act Section 623 (cont.)

- Reinvestigation Requirements (continued)
 - After CRA notifies furnisher of dispute, furnisher must:
 - If information is incomplete or inaccurate, submit results to all nationwide CRAs to which it reports.
 - Must abide by Section 611 deadlines of CRA
 - » 30 day reinvestigation
 - » If any information is deleted from a consumer's file, it cannot be reinserted unless the furnisher “certifies” that the information is complete and accurate.



Use of the ACDV/AUD system will reduce turn around time for disputes, and will automatically send reinvestigation results to all CRA's selected by the data furnisher

FAIR CREDIT REPORTING ACT (1997)

**Overview of:
Data User Responsibilities**

Fair Credit Reporting Act Section 604

- Permissible Purposes
- Prescreening
- Resellers
- Adverse action
- Liability issues

Fair Credit Reporting Act Section 604 (cont.)

- Permissible Purposes
 - Reports can be obtained only for authorized purposes.
 - User must certify purposes for which they obtain reports. (**Amendment**)

Fair Credit Reporting Act Section 604 (cont.)

- Permissible Purposes (continued)
 - Court order or federal grand jury subpoena.
 - Written permission of consumer.

(These are part of the Old Law)

Fair Credit Reporting Act Section 604 (cont.)

- Permissible Purposes (continued)
 - Underwriting of insurance. (**Old Law**)
 - Determine a consumer's eligibility for a license or any other benefit granted by a governmental entity. (**Old Law**)
 - For a potential investor or servicer, or current insurer to assess the credit or prepayment risks of an existing credit obligation. (**Amendment**)

Fair Credit Reporting Act Section 604 (cont.)

- Permissible Purposes (continued)
 - Extension of credit
 - Review or collection of a consumer's account

Fair Credit Reporting Act Section 604 (cont.)

- Permissible Purposes (continued)
 - Employment purposes if the user certifies to the credit reporting agency:
 - Consumer has received written notice report may be obtained (***Notice on separate paper***)
 - Consumer gives written consent to obtain report
 - Consumer is given copy of report before any adverse action is taken

Fair Credit Reporting Act Section 604 (cont.)

- Permissible Purposes (continued)
 - Employment purposes if the user certifies to the credit reporting agency:
 - Consumer is given written copy of rights, as outlined in *Section 609* with his/her report
 - Employer is in compliance with all applicable EEO laws or regulations.
(*Amendment*)

Fair Credit Reporting Act Section 604 (cont.)

- Permissible Purposes (continued)
 - Has a legitimate business need in connection with a transaction ***initiated*** by the consumer or to review an account
(*Amendment*)

Fair Credit Reporting Act Sections 603, 604 & 615

- Prescreening
 - Creditors and insurers have access to limited consumer report information with unsolicited offers of credit or insurance under certain circumstances. (*Amendment*)

Fair Credit Reporting Act Section 604

- Prescreening
 - Must be a firm offer of credit or insurance
(*Amendment*)
 - Pre-established criteria

Fair Credit Reporting Act Section 604 (cont.)

- Prescreening
 - The consumer has not opted out.
 - The firm offer of credit or insurance does allow for “**post screening**,” “**verification**,” and, when applicable, provision of “**collateral**.”
(*Amendment*)

Fair Credit Reporting Act Sections 603, 604 & 615

- Prescreening (continued)
 - Must provide a “clear and conspicuous” statement with each solicitation that:
 - The consumer can opt out.
 - The address and toll-free number of the appropriate notification system.
- (*Amendment*)

Fair Credit Reporting Act Section 607

- Resellers
 - “Procures a consumer report for reselling the report (or any information in the report).” (*Amendment*)

Fair Credit Reporting Act Section 603

- Adverse Action
 - “Adverse Action,” includes all businesses, credit and employment actions affecting consumers that can be considered to have a negative impact. (**Amendment**)

Fair Credit Reporting Act Section 615

- Adverse Action Notice
 - Based on Consumer Reports
 - The notice must include:
 - Name and address of CRA
 - if CRA reports on a nationwide basis, a toll free number
 - an explanation that the CRA did not make adverse action and can not give reasons why

Fair Credit Reporting Act Section 615 (cont.)

- Adverse Action Notice (continued)
 - free copy of report within 60 days
 - right of consumer to dispute accuracy of information
 - Based on Information Obtained From Third Parties, Not CRAs
 - Based on Information Obtained from Affiliates (**Amendment**)

Liability for Violations of the FCRA



- Failure to comply with the FCRA can result in state and federal enforcement actions, as well as private lawsuits.
 - » Sections 616, 617, and 621
- In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution.

» Section 619



Liability for Violations of the FCRA



- Consumers and consumer reporting agencies have private causes of action against those who obtain reports under false pretenses.

» Section 616(a) and 616(b)
(Amendment)

IMPORTANT

The Fair Credit Reporting Act should be discussed with your legal/compliance officers.

It is your responsibility to be in compliance.

Fair and Accurate Credit Transactions Act (2003)

- Also known as the FACT Act
- Effective in 2004
- Free annual credit report
- Dispute handled via third parties
- Suppression of medical inferences
- Credit score disclosure

Dispute process

- Request copy of credit file to have file number assigned
- Repositories have a 30 day window to verify information
- E Oscar
- FACT Act



***Information
contained in a
TRANS UNION
credit report***

Trans Union Credit Report

- Contains the most up-to-date credit information available on each consumer.
- Accessed using name, address and social security number.
- If available, date of birth, telephone number and most current employer, one previous employer, including addresses, position, income and date employment was verified, reported and/or hired.

Trans Union Credit Report

- Demographic Information- Helps verify consumer identification by providing:
 - Consumer's name, plus any known aliases.
 - Current address and date reported.
 - Up to two previous addresses-date reported on first previous address.
 - Social Security Number.

I HUBBY,FILE,A,SR,* 111,W,SOMEWHERE,ST,FANTASY ISLAND,IL,60750*5 277-10-3007**

TRANS UNION CREDIT REPORT

<FOR>	<SUB NAME>	<MKT SUB>	<INFILE>	<DATE>	<TIME>
(I) M0001	MED CLINIC	19CV	2/91	05/24/98	09:27CT
<SUBJECT>			<SSN>		<BIRTH DATE>
STUBBY, FILE A SR.			277-10-3007		1/58
<ALSO KNOWN AS>					<TELEPHONE>
CHUBBY, FILE A					000-431-0144
<CURRENT ADDRESS>				<DATE RPTD>	
111 W. SOMEWHERE ST., #1A. FANTASY ISLAND IL. 60750				11/95	
<FORMER ADDRESS>					
222 W. SOMEWHERE ST., #1A FANTASY ISLAND IL. 60750				11/93	
<CURRENT EMPLOYER AND ADDRESS>	<POSITION>	<INCOME>	<VERE>	<RPTD>	<HIRE>
THE BEST CREDIT BUREAU	OPERATIONS MGR	32500Y	1/96	1/96	1/91
111 W. JACKSON ST., FANTASY ISLAND IL.					

I HUBBY,FILE,A,SR,* 111,W,SOMEWHERE,ST,FANTASY ISLAND,IL,60750*5 277-10-3007**					
TRANS UNION CREDIT REPORT					
<FOR>	<SUB NAME>	<MKT SUB>	<INFILE>	<DATE>	<TIME>
(I) M0001	MED CLINIC	19CV	2/91	05/24/98	09:27CT
<SUBJECT>			<SSN>	<BIRTH DATE>	
STUBBY, FILE A SR.			277-10-3007	1/58	
<ALSO KNOWN AS>				<TELEPHONE>	
CHUBBY, FILE A				000-431-0144	
<CURRENT ADDRESS>				<DATE RPTD>	
111 W. SOMEWHERE ST., #1A. FANTASY ISLAND IL. 60750				11/95	
<FORMER ADDRESS>					
222 W. SOMEWHERE ST, #1A FANTASY ISLAND IL. 60750				11/93	
<CURRENT EMPLOYER AND ADDRESS>	<POSITION>	<INCOME>	<VERF>	<RPTD>	<HIRE>
THE BEST CREDIT BUREAU	OPERATIONS MGR				
111 W. JACKSON ST., FANTASY ISLAND IL.	32500Y	1/96	1/96	1/91	

The Benefits of a Social Security Number

- The first three numbers of a social security number will identify the state in which it was issued
- Pennsylvania's range is 159-211
- The middle two numbers for the state of Pennsylvania will always be even
- UNISSN
 - United by social security number
 - Unites credit reports using same social security number and first name (nicknames included)
 - Provides additional information

I HUBBY,FILE,A,SR,* 111,W,SOMEWHERE,ST,FANTASY ISLAND,IL,60750*5 277-10-3007**					
TRANS UNION CREDIT REPORT					
<FOR>	<SUB NAME>	<MKT SUB>	<INFILE>	<DATE>	<TIME>
(I) M0001	MED CLINIC	19CV	2/91	05/24/98	09:27CT
<SUBJECT>			<SSN>	<BIRTH DATE>	
STUBBY, FILE A SR.			277-10-3007	1/58	
<ALSO KNOWN AS>				<TELEPHONE>	
CHUBBY, FILE A				000-431-0144	
<CURRENT ADDRESS>				<DATE RPTD>	
111 W. SOMEWHERE ST., #1A. FANTASY ISLAND IL. 60750				11/95	
<FORMER ADDRESS>					
222 W. SOMEWHERE ST, #1A FANTASY ISLAND IL. 60750				11/93	
<CURRENT EMPLOYER AND ADDRESS>	<POSITION>	<INCOME>	<VERF>	<RPTD>	<HIRE>
THE BEST CREDIT BUREAU	OPERATIONS MGR				
111 W. JACKSON ST., FANTASY ISLAND IL.	32500Y	1/96	1/96	1/91	

Credit Report Messages

- Special Messages
 - Highlights specific credit file conditions that may include:
 - Suspected fraud, as indicated by Trans Alert or Hawk Alert messages
 - True Identity Fraud
 - Presence of Consumer Statement
 - OFAC alerts
 - No subject found

Special Alert Messages Sample

*** TRANS-ALERT: INPUT SURNAME DOES NOT MATCH FILE SURNAME***

*** HAWK-ALERT: INPUT SSN ISSUED: 1936 - 1950; STATE: OH***

*** HAWK-ALERT: INPUT CURRENT ADDRESS IS A HOTEL/MOTEL/OR
TEMPORARY RESIDENCE***

THE SPECIAL MESSAGES OFFERED BY TRANS UNION WILL ASSIST IN THE
CONTROL OF FRAUD.

7 TRANS ALERT MESSAGES AVAILABLE.

55 HAWK ALERT MESSAGES AVAILABLE

*** HAWK MESSAGES SERVE AS ADVISORY TOOLS ONLY.
CREDIT CANNOT BE DENIED BASED ON
HAWK MESSAGES.

Trans Alert message

- A Trans Alert message appears when the input address, SSN or surname does not match what is on file; or when a minimum of four inquiries have been made against the file within the last 60 days.

Hawk Alert

- A Hawk Alert (optional) message appears if address, phone number or SSN have been used in suspected fraudulent activity; or if the information is inappropriate on an application, such as a commercial or institutional address; or if the SSN is that of a deceased person as reported by SS Administration.
- Numerous options exist for Hawk Alert.

USA PATRIOT Act of 2001

- Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act)
- Dedicated to preventing money laundering and the financing of terrorist organizations
- Minimum requirements include
 - Verify the identity of any person seeking to open an account
 - Maintain record of the information used to verify a person's identity including name and address
 - Consulting a comprehensive government-provided list of known or suspected terrorists or terrorist organizations to determine that the name of the person does not appear on the list

OFAC Advisor Display

- Special Messages Section last message
 - *****OFAC ADVISOR ALERT – INPUT NAME MATCHES NAME ON THE OFAC DATABASE: *******, where “*****” represents the message returned by the OFAC Advisor system.
 - *****OFAC ADVISOR ALERT – INPUT NAME MATCHES NAME ON THE OFAC DATABASE: UST 03 GILBERT, JOSEPH POB ISRAEL. AFF: SDNTK DOB: 4/08/1943*****
- A no match will appear as follows:
 - *****OFAC ADVISOR ALERT – CLEAR*****

Understanding the Credit Report

- **Model Profile**
 - Displays unbiased predictive scores to project a consumer's future credit risk
 - Other scores available estimate income, project recovery dollars and predict insurance risk.

Understanding the Credit Report (cont.)

- **Credit Summary**
 - Provides a “snapshot” of all activity on the consumer's credit report
 - Summarizes the number of
 - Trade lines
 - Negative/Derogatory Trade lines
 - Public Records
 - Collections
 - Inquiries

Credit Summary Sample

CREDIT SUMMARY *** TOTAL FILE HISTORY

PR=1 COL=1 NEG=1 HSTNEG=2-8 TRD=1 RVL=0 INST=1 MTG=0 OPN=0 INQ=3
 HIGH CRED CRED LIM BALANCE PAST DUE MONTHLY PAY AVAILABLE

REVOLVING:	\$1500	\$2000	\$300	\$100	\$20	90%
INSTALLMENT:	\$16.0K		\$12.4K	\$1974	\$282	
MORTGAGE:	\$	\$	\$	\$	\$	
OPEN:	\$	\$	\$	\$	\$	
TOTALS:	\$17.5K	\$2000	\$12.7K	\$2074.	\$302	

Understanding the Credit Report (cont.)

- Public Record Information
 - Public record information is maintained on a consumer's file in compliance with the Fair Credit Reporting Act
 - This information is obtained from County, State and Federal courts and provides notification of:
 - Civil suits
 - Judgments
 - Tax liens
 - Bankruptcies
 - Other public record information.

Public Record Sample

PUBLIC RECORDS					
SOURCE TYPE	DATE	LIAB	ECOA COURT LOC	ASSETS	DOCKET# PLAINTIFF/ATTORNEY
Z 4932059 CHAPTER 11 BANKRUPTCY	2/96R	\$13.0k	C CHICAGO,IL	\$5000.	96B38521 R.SMITH/D.WINSLOW

Understanding the Credit Report (cont.)

- Collection Accounts
 - Trade lines that have been transferred to a professional debt-collecting firm
 - Identified with a (KOB) "Kind of Business" code of "Y"
 - Easy identification of other outstanding medical/hospital obligations.

Collection Description and Sample

- Separate section that will not print if collection accounts are not present on a consumer's file

C O L L E C T I O N S

SUBNAME ACCOUNT#	SUBCODE	ECOA	OPENED VERIFIED	CLOSED	\$PLACED BALANCE	CREDITOR REMARKS	MOP
CREDIT PLUS 12345	Y999C004	I	3/95 4/98A	5/95F	\$2500 \$1000	ABC BANK MAKING PAYMENTS	09P

Understanding the Credit Report (cont.)

- Trades – Trade Line Information
 - Provides an on-going historical and current record of the consumer's buying and payment activities
 - Trades are available sorted by most derogatory followed by date verified or vice-versa

Trade Line Sample

24 MONTH PAYMENT PATTERN

SUBNAME	SUBCODE	OPENED	HIGHCRED	TERMS	MAXDELQ	PAYPAT	1-12	MOP
ACCOUNT#		VERIFIED	CREDLIM	PASTDUE	AMT-MOP	PAYPAT	13-24	
ECOA	COLLATRL/LN	TYPE	CLSD/PD	BALANCE	REMARKS		MO	30/ 60/ 90
AMERICAN BK	B6661001	8/92	\$16.0K	60M282	11/93	545543211111	105	
9876543210		4/98A		\$1974	\$1974 05	11111111		
I	NISSAN MAXIMA		\$124K		CONTACT SUBSCRIBER		19V	1/ 1/ 5

Understanding the Credit Report (cont.)

- Inquiries
 - Displays which companies have viewed the consumer's file over the last 2 years
 - Includes:
 - Date the inquiry occurred
 - Inquiring subscriber's Trans Union-assigned code number
 - name
- Look
 - Displays:
 - Name
 - Code
 - Number
 - Address and telephone number of the trade line
 - public record inquiry and/or collection subscriber whose information appears on the report. (optional)

Inquiry Display Sample

INQUIRIES				
DATE	SUBCODE	SUBNAME	TYPE	AMOUNT
7/8/96	MCV0001	MEDCLINIC		
6/27/96	BCV99999	TEST BANK		
6/11/96	DCV88888	TEST DEPT.STORE		

LOOK DISPLAY SAMPLE

LOOK			
AMERICAN BANK	B 6661001		(608) 755-5432
301 E MILWAUKEE ST, JANESVILLE, WI 53545			
MEDCLINIC	MCV0001		(216) 779-7000
401 CHAGRIN, BEACHWOOD, OH 44122			

**** NUMEROUS OPTIONS AVAILABLE FOR INQUIRIES, i.e. 1 or 2 columns
 **** NUMEROUS OPTIONS AVAILABLE FOR LOOK, i.e., phone look only.

FACTUAL DATA
BUREAU EXPRESS REPORT
THIS IS A MERGED INFIL

This Bureau Express Report completed by Factual Data is a Merged Credit Report which includes information from the following repositories:

U-TransUnion Consumer Relations (800)888-4213
Q-Equifax Consumer Relations (800) 216-1102
R-Experian Consumer Relations (800) 422-4879
PO Box 390
Springfield, PA 19064
Atlanta, GA 30374
Allen, TX 75002-0949

The information contained within has not been verified. Information contained in the report may not belong to the applicant(s). This report can be used for consumer lending and real estate purposes; it is not a Residential Mortgage Credit Report(RMCR) as defined by FNMA, FHLMC, and FHA/VA guidelines.

Requests for clarification balance updates and/or zero balance verifications must be made by the client/credit grantor. If the applicant/consumer has received a letter from the client/credit grantor denying the applicants request, the applicant may request a copy of this report which will be provided by Factual Data at no cost.

APPLICATION INFORMATION

FILE VERIFICATION

Joint EQ 07/08/94 10:09:08 A QJ01 111-11-1111 Sample, John D
S QJ02 222-22-2222 Sample, Jane D
Joint Experian 07/08/94 10:09:22 A RJ01 111-11-1111 John D Sample
S RJ02 222-22-2222 Jane D Sample
Joint TU 07/08/94 10:09:22 A UJ01 111-11-1111 Sample John D
S UJ02 222-22-2222 Sample Jane D

PUBLIC RECORD

No Public Records Found

INQUIRIES

06/15/94 Sears 123456ABCD QJ01 QJ02
06/21/94 JC Penney 987654XYZ RJ01 RJ02 UJ01 UJ02

ADDRESS INFORMATION

1000 Strine Dr ANYTOWN CO 88888
QJ01
2222 Green Pasture ANYTOWN CO 88888
QJ01 QJ02
1000 Strine St ANYTOWN CO 88888
QJ01 QJ02 RJ01 UJ01 UJ02

EMPLOYMENT INFORMATION

Applicant Present Hershey Industries DATE NOT REPORTED
UJ01
Applicant Present Medical Labs DATE NOT REPORTED
UJ01

CREDIT SCORE INFORMATION

Fair Isaac/Trans Union Empirica information
Credit Risk Score 00530+
Empirica reason Codes
022 Serious Delinquency, Derogatory Public Record or Collection
018 Frequent Delinquency
013 Delinquency Date Too Recent, or Unknown
016 Lack of recent Information on Revolving Accounts

CREDIT INFORMATION

Creditor Name	DLA	Date	Highest	Balance	Monthly	Amt	Acct	Mths	30-59	60-89	90 Days
Account Number	Date Last Act.	Acct	Credit	Owed	Pymt Amt	Past Due	Owner	History	Days	Days	And
	Reported	Opened	Or Limit					Rev	Only	Only	Over
Jim's Auto	11/93							R0			
95532325788	12/93A	10/90	250	0	PAID	0	Joint	20	0	0	0
QJ01 QJ02 RJ01 RJ02 UJ01											
Ward Mortgage	09/95							I0			
DP98K12DD8888	10/95A	09/86	13250	110488	1385	0	Joint	48	0	0	0
QJ01 RJ01 UJ01 UJ02											
Woodward & Lothrop	02/94							R1			
42548883333333	02/94A	05/77	1700	0	PAID	0	Applicant	99	1	0	0
QJ01 RJ01 UJ01									11/90		

TOTALS
*reflects the source of adverse information

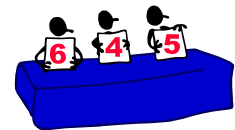
SUMMARY INFORMATION

OLDEST OPENING CREDIT DATE:	3
PUBLIC RECORD WAS DETECTED	340
NUMBER OF INQUIRIES IN LAST 90 DAYS	21,000
NUMBER OF OPEN REVOLVING TRADES	1,994
NUMBER OF OPEN INSTALLMENT TRADES	23,334
NUMBER OF BALANCE MONTHLY TRADES	416
TOTAL NUMBER OF OPEN TRADES	32
REVOLVING HIGH CREDIT LIMIT	6,800
BALANCE MONTHLY HIGH CREDIT LIMIT	7,216
TOTAL HIGH CREDIT LIMIT	

SUMMARY OPTIONS AVAILABLE

Credit Scoring

- Various modeling companies
 - The Fair Isaac Company (FICO)
 - Trans Union et al
- Bankruptcy score
- Delinquency score
- Customized models



The Scoop

- Credit Scores
 - have been around for 40+ years
 - are numbers not recommendations
 - should not make the final decision, but should help in the procedure



Benefits

- Speed
- Simplified process
- Objective
- Standard
- Rate sensitive

Development of Empirica

- Full service generic credit bureau scorecard system that has been developed jointly by Trans Union Corp. and the Fair, Isaac Companies.
- Converts the collective experience of reporting credit grantors, collection agencies, public record information, and inquiries that are found on a consumer credit report to a numeric score that can be indicative of future payment behavior.
- Scores range from low of 360 to high of 840
- The **higher** the score the **better** the credit risk

Information

- When predicting risk, not all the information on a credit report contributes equally.
- Some items are more powerful indicators than others.
- Scores are based on all credit related data in the credit report
- Information not present in a credit file, no matter how relevant, can not be used to create a credit score.
- Score cards are objective because they are created from historical data.

Information (cont.)

- Joint scores do not exist. Separate scores are calculated for the borrower and co-borrower
- Each lender has his/her own criteria regarding what signifies a "good" score
- If the repository cannot provide the score, there is insufficient credit history available to build a score on the applicant.
- Mortgage lenders are encouraged to order credit scores at the time the original report is requested. If an additional repository report is requested to obtain a credit score, the score may be adversely affected by the increase in inquiries. Additional charges will also be incurred by the lender.

The Score

- The score is calculated at the repository and is based solely on the data within that repository's individual credit file.
- Fair, Isaac is not able to make corrections to credit bureau data.
- The FICO score is calculated by a system of scorecards.
- Some of the typical items that are looked at include:
 - payment history
 - outstanding debt
 - age of oldest tradeline
 - new account openings
 - recent inquiries
 - types of credit used
- Scorecards consist of actual credit data on millions of consumers and complex mathematical methods are applied to forecast credit performance.

Factors

- Scoring factors are provided for adverse action or declination purposes.
- The factors are a reflection of the characteristics of the model that were the most penalization to the final score.

Disclosure

- There are now requirements to disclose any information regarding risk scores or predictors with the new FACT act.

Errors & Corrections

- Errors & corrections need to be handled within a 30 day period by the repositories.
- A new score is difficult to predict.
- Re-scoring available on line
- Information is purged in 6 1/2 years.

Odds chart

VALIDATION ODDS SUMMARY						
2005						
NEGATIVE PERFORMANCE: 60 BASE CATEGORY: All Industries APPLICATION: New						
SCORE	# OF	CUMULA	# OF	CUMULA	% NEGATIVE	ODDS
RANGE	RECORDS	%	RECORDS	%	TO BASE	(VALUE TO 1)
800+	96,728	9.88%	1,662	9.88%	0.99	57.2
780-799	117,797	12.03%	2,945	21.91%	1.76	30
760-779	123,403	12.60%	4,886	34.51%	2.92	24.3
740-759	114,841	11.73%	6,480	46.24%	3.88	16.7
720-739	100,064	10.22%	8,307	56.46%	4.97	11
700-719	89,899	9.18%	10,337	65.65%	6.19	7.7
680-699	80,829	8.26%	13,695	73.90%	8.2	4.9
660-679	69,185	7.07%	16,186	80.97%	9.69	3.3
640-659	47,970	4.90%	15,501	85.87%	9.28	2.1
620-639	35,551	3.63%	15,148	89.50%	9.07	1.3
600-619	25,831	2.64%	13,682	92.14%	8.19	0.9
550-599	45,914	4.69%	31,374	96.82%	18.78	0.5
549 or less	31,088	3.18%	26,883	100.00%	16.09	0.2
TOTAL	979100	100.00%	167,086	100%	100%	4.9

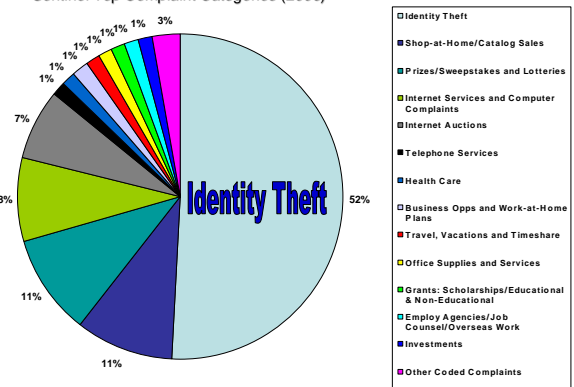
Identity Theft

What to do If your identity has been stolen

1. Contact fraud departments of the credit repositories.
2. Close the accounts that have been effected.
3. File a police report.
4. File your complaint with the FTC.



Sentinel Top Complaint Categories (2006)



Identity Theft Types Reported by Pennsylvania Victims

<i>Rank</i>	<i>Identity Theft Type</i>	<i># Victims</i>	<i>Pct</i>
1	Credit Card Fraud	2424	27%
2	Phone or Utilities Fraud	2106	23%
3	Bank Fraud	1125	12%
4	Government Documents or Benefits Fraud	848	9%
5	Employment-Related Fraud	576	6%
6	Loan Fraud	400	4%
	Other	2146	24%
	Attempted Identity Theft	521	6%

Percentages add up to more than 100% because approximately 19% of victims in Pennsylvania reported experiencing more than one type of identity theft.

Top Pennsylvania Identity Theft Victim Locations

<i>Victim City</i>	<i>No. of Victims</i>
Philadelphia	1,639
Pittsburgh	367
Allentown	98
West Chester	79
Harrisburg	74
York	74

Pre Approved offers for all credit reporting agencies

- Opt Out
 - (888) 5-OPT-OUT
 - (888) 5-678-688
- www.optoutprescreen.com

Free Annual Credit Report

- Available to east coast September 1, 2005
- Web site: www.AnnualCreditReport.com
- Call 877-322-8228

How to See Your Credit Report

Equifax

- Order credit report 800-685-1111
- Report fraud 800-525-6285
- Web site www.equifax.com

Experian

- Order credit report 888-397-3742
- Report fraud 888-397-3742
- Web site www.experian.com

Trans Union

- Order credit report 800-916-8800
- Report fraud 800-680-7289
- Web site www.tuc.com



Useful Websites

- www.annualcreditreport.com
- www.optoutprescreen.com
 - (pre-approved & triggers) or 800-567-8688
- www.gethuman.com
 - (avoid automated calls)



Please feel free to ask any questions you may have regarding the topics discussed in this presentation.