

Consumer Credit Report Overview

PACWEST

May 15, 2013



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Agenda

- FCRA
- CFPB
- Consumer Credit Report
- Credit Scores
- Messages



Fair Credit Reporting Act (FCRA)

- Permissible Purpose under FCRA
- As directed by the law, credit reports may be issued only if they are to be used for
 - ◆ Extending credit
 - ◆ Account Management and Collections
 - ◆ Employment purposes
 - ◆ Underwriting insurance
 - ◆ In connection with some other legitimate business transaction such as in investment, partnership, etc. such
 - ▶ *Additional state laws may also impact your usage of credit reports for employment purposes.*

Penalties under FCRA

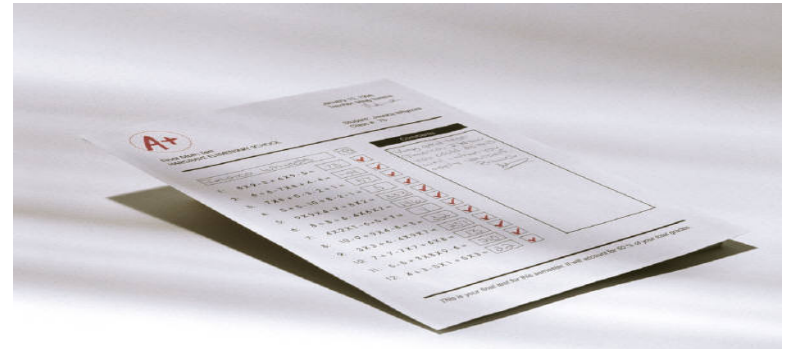
- Penalties for violations include:
 - ◆ 1 year in jail
 - ◆ \$1500 fine per occurrence



Consumer Financial Protection Bureau (CFPB)

- The Consumer Financial Protection Bureau is an independent bureau within the Federal Reserve Board
 - The Board (not Congress) provides the Bureau's base funding
 - But the Board may not intervene in the Bureau's activities
- The Bureau has supervision, enforcement, rulemaking authority
- CFPB has the authority to implement an examination function allowing enforcement officials to audit

Consumer Credit Report





What's in a credit report?

- Identifying information
- Potential fraud indicators
- Account information
- Public record information
- Inquiries





Consumer Identifying Information

PAGE 1 DATE 5-15-2002 TIME 10:37:16 PHP26 V306 TCA

1

B

JONATHAN QUINCY CONSUMER

2

10655 N BIRCH ST
BURBANK CA 91502-1234
RPTD: 4-97 TO 1-02 U 3X
LAST SUB: 1220855

3

1314 SOPHIA LN APT 3
SANTA ANA CA 92708-5678
RPTD: 1-96 U 1X

4

5

*2600 BOWSER ST #312
LOS ANGELES CA 90017-9876
RPTD: 9-95 I

SS: 999-99-9990
234-56-7891*
123-45-6789*
DOB: 1/10/1951

6

7

E: AJAX HARDWARE
2035 BROADWAY
SUITE 300
LOS ANGELES CA 90019-1234
RPTD: 4-02 I

8

E: BELL AUTOMOTIVE
111 MAIN STREET
BURBANK CA 91503
RPTD: 5-95 TO 9-98 I

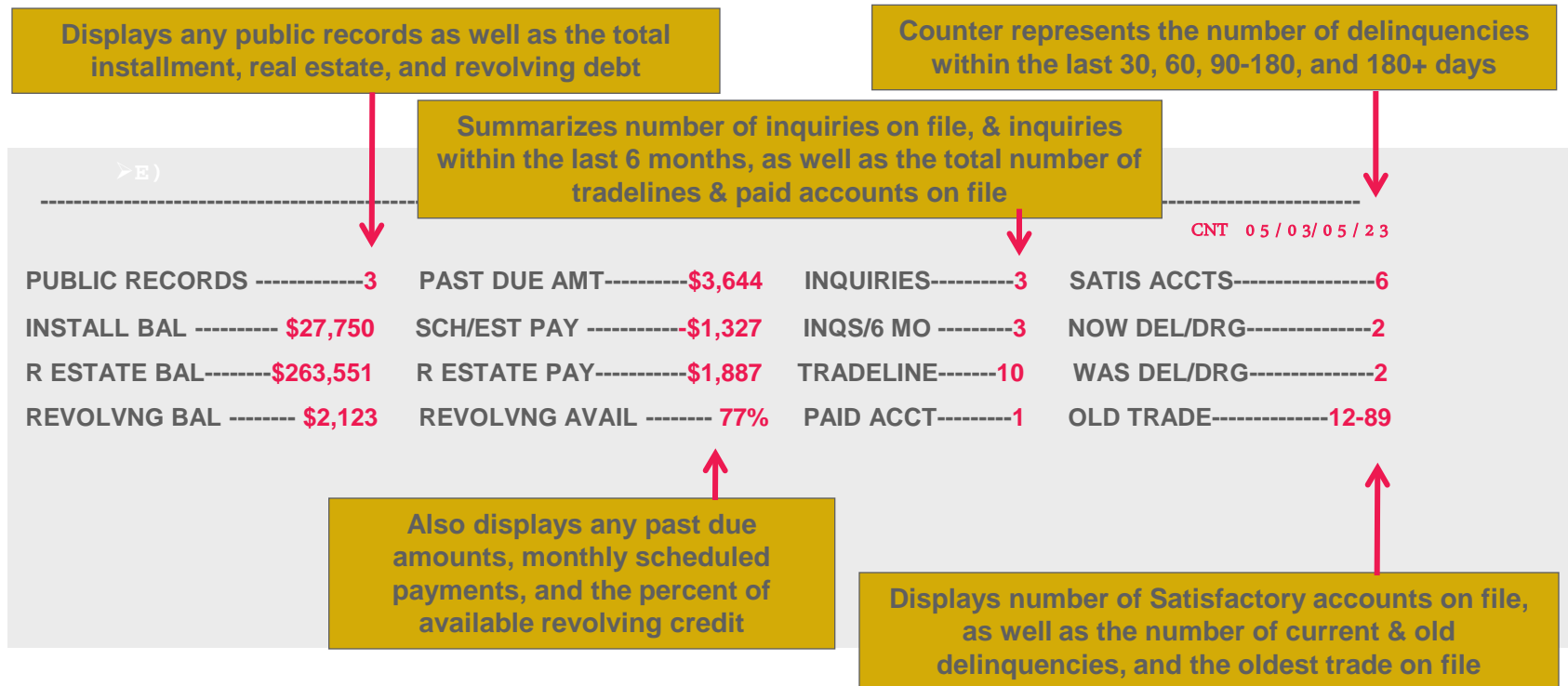
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*JACK CONSUMER, JOHN SMITH, JONATHAN SMITH JONES JR

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Credit Profile Report

Profile Summary Band



Profile Summary provides 17 significant calculations and analysis from the credit report.

Tradeline Band

TRADES

SUBSCRIBER SUB# ACCOUNT #	KOB	TYP	TRM	EOA	OPEN BALDATE LAST PD	AMT-TYP1 BALANCE MONTH PAY	AMT-TYP2 PYMT LEVEL PAST DUE	ACCTCOND MOS REV MAXIMUM	PYMT STATUS PYMT HISTORY BY MONTH
* CREDIT AND COLLECTION									
3980999	YC	UNK	UNK	2	9-96 4-05-02	\$500-O \$250	9-96 \$250	(20)	COLLACCT GGGGGGGGGGGGGG GGGGGGG
98E543182136									
a. ORIGINAL CREDITOR: DR. JOHN KILDARE/MEDICAL-HEALTH CARE									
ACCOUNT INFORMATION DISPUTED BY CONSUMER									
DEBT BEING PAID THROUGH INSURANCE									
* ISLAND SAVINGS									
1211248	BC	CRC	REV	2	5-96 10-1-97	\$7,000 -L \$0	\$5,700-H 10-97	CLOSED (18)	CURR ACCT B0CCCCCCCCCCCC CCCCC
405855254820									
**ACCOUNT CLOSED AT CONSUMER'S REQUEST **									
HEMLOCKS									
2313849	DV	ISC	024-D	3	2-99 2-01-99	\$1,000-O \$1,000	2-99	OPEN (17)	CURR ACCT NNNNNNNNNNNNNN NNNN
8285103111261									
b. DEFERRED PAYMENT START DATE: 07-30-2003									
CENTRAL BANK									
1132912	BI	AUT	60	1	12-98 6-15-02	\$22,350-O \$11,050	6-02	OPEN (31)	DELINQ 30 1CCCCCCCCCCCCC CCCCCCCCCCCCC
23802654388					5-02	\$465	\$465		
* MOUNTAIN BK									
1119999	BI	SEC	60	2	3-93 12-17-01	\$43,225-O \$19,330	12-01	OPEN (39)	30 3 TIMES 1CCCCC1CCCCC CCCCCCCCCCCCC
3562A0197325346R12345>					11-01	\$956	\$956	9-94/1	
>3562A019732534									



Tradeline Band continued...

EMPLOYEES CREDIT UNION				2-85	\$10,000 -L	\$7,108-H	48	OPEN	CURR ACCT
1220855	BC	CRC REV	2	5-15-02	\$6,029	2-85		(99)	CCCCCCCCCCCC
5396258022578				4-02	\$180 -A		49		00000000CCCC

HOME FINANCIAL				5-90	\$400,000-O			OPEN	CURR ACCT
5935250	FM	R/E	30Y	2	1-12-02	\$234,000	5-90	(92)	CCCCCCCCCCCC
24000098500012					12-02	\$3,128			CCCCC000CCCC

c. MIN: 123456789012345678

STATE BANK				1-90	\$10,000 -L	\$9,612-H		OPEN	CURR ACCT
1299987	BC	CRC REV	1	6-15-02	\$8,628	1-90		(85)	CCCCCCCCCCCC
4271008232				5-02	\$255 -E				CCCCC000CCCC

d. PURCHASED PORTFOLIO FROM: SOUTHWEST BANK

Public Records

----- PUBLIC RECORDS -----
* SO CALIF DISTRICT COURT 6-21-03 7-01-04 3011111 \$12,450 CO LIEN REL
C#: 45078321 1 BP: B47602109



What's NOT in a credit report?

- Credit reporting companies do not store:
 - ◆ Criminal background
 - ◆ Medical information
 - ◆ Buying habits / transaction data
 - ◆ Bank account information

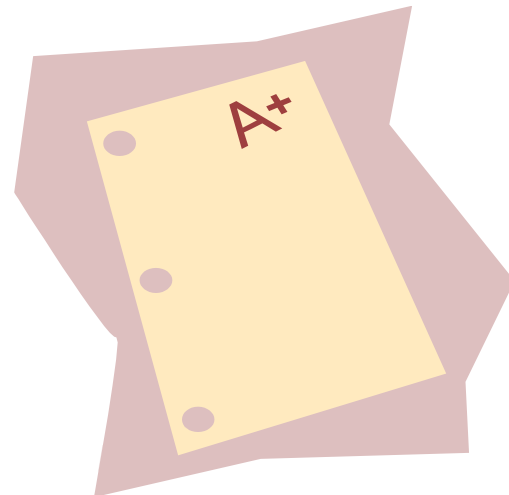




How long is information retained?

▪ Open accounts in good standing	Indefinitely
▪ Closed accounts in good standing	10 years
▪ Late or missed payments	7 years
▪ Collection accounts	7 years
▪ Civil judgments	7 years
▪ Chapter 7 bankruptcy	10 years
▪ Chapter 13 bankruptcy	7 years
▪ Unpaid tax liens	10 years
▪ Paid tax liens	7 years
▪ Credit inquiries	2 years

Credit Scores



Credit Scores

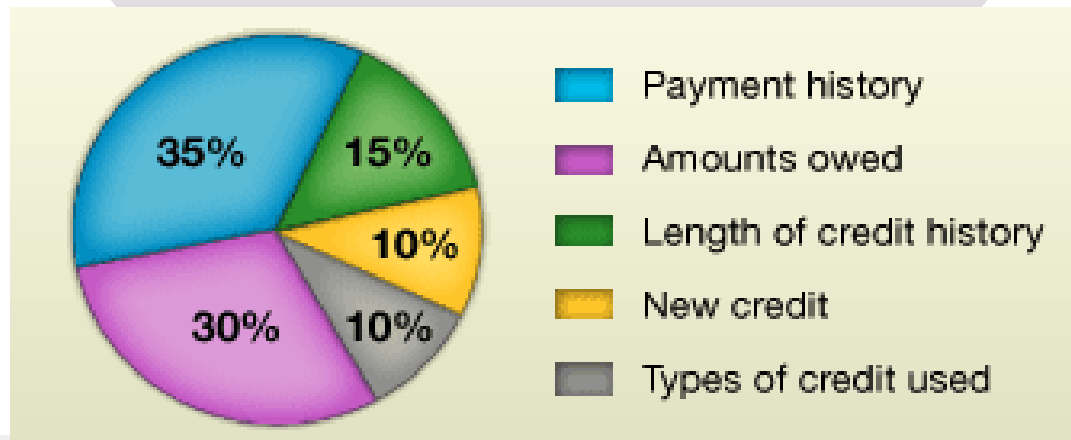
- ◆ A statistical model that transforms raw data into actionable/decisionable information
- ◆ Transforms complex sets of data into one simple score
- ◆ Allows customer to take what is known today and use it to predict future behavior/results
- ◆ Predicts the likelihood of a consumer becoming delinquent or derogatory (usually 90+ days delinquent)
- ◆ Allows customers to build business strategies around empirically sound data
- ◆ Many different models available from many different sources

Credit Scores

-----SCORE SUMMARY-----

VANTAGE SCORE	=	611	SCORE FACTORS: 91, 50, 12, 31
SCOREX PLUS NEW ACCCT	=	518	SCORE FACTORS: 61, 63, 40, 56
BANKRUPTCY PLUS	=	1040	SCORE FACTORS: 39, 48, 90, 34

Scores are predictive of future behavior



Credit Report Messages

- Consumer Statement
 - ◆ Allows a consumer to add a statement to their credit report explaining the reasons for a status on their trade information.
 - ◆ ID Fraud Victim Alert



Questions

