Consumer Credit Report Overview

PACWEST May 15, 2013



Alex Siotos

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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

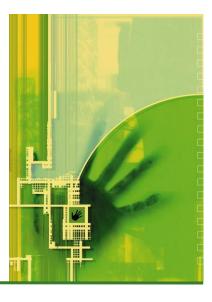






What's in a credit report?

- 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 TC

JONATHAN QUINCY CONSUMER

10655 N BIRCH ST

BURBANK CA 91502-1234

RPTD: 4-97 TO 1-02 U 3X

LAST SUB: 1220855

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



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

* JACK CONSUMER, JOHN SMITH, JONATHAN SMITH JONES JR [[]]

SS: 999-99-9990 234-56-7891*

123-45-6789*

DOB: 1/10/1951 E: AJAX HARDWARE 2035 BROADWAY

SUITE 300

LOS ANGELES CA 90019-1234

8

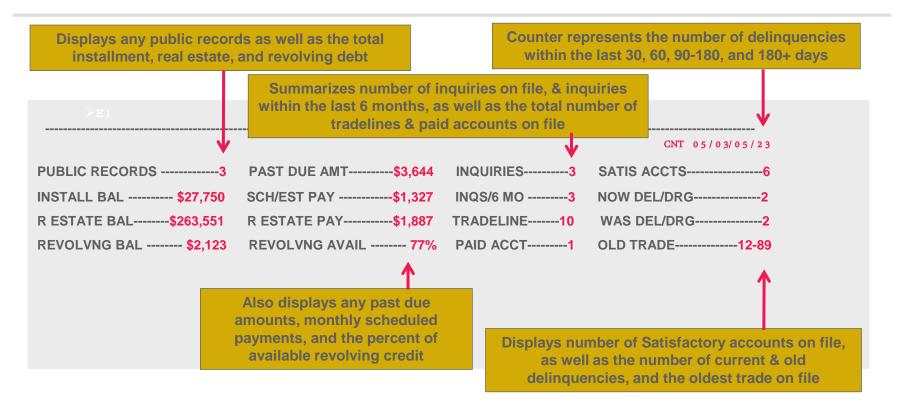
RPTD: 4-02 I

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





Credit Profile ReportProfile Summary Band



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





Tradeline Band

		- TRADES			
SUBSCRIBER SUB# KOB TYP TRM ECOA ACCOUNT#		BALANCE PY	MT LEVEL	ACCTCOND MOS REV MAXIMUM	PYMT STATUS PYMT HISTORY BY MONTH
ACCOUNT INFORMATION DISPUTED	BY CONSUM	\$500-0 \$250 AL-HEALTH CARE ER 24	9-96 \$250	(20)	COLLACCT GGGGGGGGGGG GGGGGGG
* ISLAND SAVINGS 1211248 BC CRC REV 2 405855254820 **ACCOUNT CLOSED AT CONSUMER'S	5-96 10-1-97 REQUEST **	\$7,000 -L \$0	\$5,700-H 10-97	CLOSED (18)	CURR ACCT B0CCCCCCCCC CCCCC
HEMLOCKS 2313849 DV ISC 024-D 3 8285103111261 b. DEFERRED PAYMENT START DATE: 07-	2-99 2-01-99 -30-2003	\$1,000-O \$1,000	2-99	OPEN (17)	CURR ACCT NNNNNNNNNNNN NNNN
CENTRAL BANK 1132912 BI AUT 60 1 23802654388	12-98 6-15-02 5-02	\$22,350-O \$11,050 \$465	6-02 \$465	OPEN (31)	DELINQ 30 100000000000 000000000000
26 * MOUNTAIN BK 27 30 31 32 28 1119999 29 BI SEC 60 2 3562A0197325346R12345> 33 >3562A019732534	12-17-01 11-01	34 \$43,225-O 38 35 \$19,330 39 \$956	12-01 41 \$956	OPEN 44 (39) 9-94/1 45	43 30 3 TIMES 1000000100000 00000000000000000000000
	SUBSCRIBER SUB# KOB TYP TRM ECOA ACCOUNT # * CREDIT AND COLLECTION 3980999 YC UNK UNK 2 98E543182136 a. ORIGINAL CREDITOR: DR. JOHN KILD **ACCOUNT INFORMATION DISPUTED **DEBT BEING PAID THROUGH INSURA * ISLAND SAVINGS 1211248 BC CRC REV 2 405855254820 **ACCOUNT CLOSED AT CONSUMER'S HEMLOCKS 2313849 DV ISC 024-D 3 8285103111261 b. DEFERRED PAYMENT START DATE: 07- CENTRAL BANK 1132912 BI AUT 60 1 23802654388 26 * MOUNTAIN BK 27 30 31 32 28 1119999 29 BI SEC 60 2 3562A0197325346R12345> 33	SUBSCRIBER SUB# KOB TYP TRM ECOA BALDATE ACCOUNT # LAST PD * CREDIT AND COLLECTION 9-96 3980999 YC UNK UNK 2 4-05-02 98E543182136 a. ORIGINAL CREDITOR: DR. JOHN KILDARE/MEDICA **ACCOUNT INFORMATION DISPUTED BY CONSUM **DEBT BEING PAID THROUGH INSURANCE** 23 * ISLAND SAVINGS 5-96 1211248 BC CRC REV 2 10-1-97 405855254820 **ACCOUNT CLOSED AT CONSUMER'S REQUEST ** HEMLOCKS 25 2-99 8285103111261 b. DEFERRED PAYMENT START DATE: 07-30-2003 CENTRAL BANK 12-98 1132912 BI AUT 60 1 6-15-02 23802654388 5-02 26 * MOUNTAIN BK 27 30 31 32 3-93 28 1119999 29 BI SEC 60 2 12-17-01 3562A0197325346R12345> 33 11-01	SUB# KOB TYP TRM ECOA BALDATE BALANCE PY ACCOUNT # LAST PD MONTH PAY * CREDIT AND COLLECTION 9-96 \$500-0 3980999 YC UNK UNK 2 4-05-02 \$250 98E543182136 a. ORIGINAL CREDITOR: DR. JOHN KILDARE/MEDICAL-HEALTH CARE **ACCOUNT INFORMATION DISPUTED BY CONSUMER** 24 * ISLAND SAVINGS 5-96 \$7,000 -L 1211248 BC CRC REV 2 10-1-97 \$0 405855254820 **ACCOUNT CLOSED AT CONSUMER'S REQUEST ** HEMLOCKS 25 2-99 \$1,000-0 2313849 DV ISC 024-D 3 2-01-99 \$1,000 8285103111261 b. DEFERRED PAYMENT START DATE: 07-30-2003 CENTRAL BANK 12-98 \$22,350-0 1132912 BI AUT 60 1 6-15-02 \$11,050 23802654388 26 * MOUNTAIN BK 27 30 31 32 3-93 34 \$43,225-0 36 1119999 29 BI SEC 60 2 12-17-01 35 \$19,330 3562A0197325346R12345> 33 11-01 36 \$956	SUBSCRIBER SUB# KOB TYP TRM ECOA BALDATE BALANCE PYMT LEVEL ACCOUNT # LAST PD MONTH PAY PAST DUE **CREDIT AND COLLECTION 9-96 \$500-O 3980999 YC UNK UNK 2 4-05-02 \$250 9-96 98E543182136 \$250 a. ORIGINAL CREDITOR: DR. JOHN KILDARE/MEDICAL-HEALTH CARE **ACCOUNT INFORMATION DISPUTED BY CONSUMER*** **DEBT BEING PAID THROUGH INSURANCE*** **ISLAND SAVINGS 5-96 \$7,000-L \$5,700-H 1211248 BC CRC REV 2 10-1-97 \$0 10-97 405855254820 **ACCOUNT CLOSED AT CONSUMER'S REQUEST ** HEMLOCKS 25 2-99 \$1,000-O 2-99 8285103111261 b. DEFERRED PAYMENT START DATE: 07-30-2003 CENTRAL BANK 12-98 \$22,350-O 1132912 BI AUT 60 1 6-15-02 \$11,050 6-02 23802654388 5-02 37 \$465 \$465 *MOUNTAIN BK 27 30 31 32 3-93 34 \$43,225-O 38 111999 29 BI SEC 60 2 12-17-01 35 \$19,330 39 12-01 41 3562A0197325346R12345> 33 11-01 36 \$956 40 \$956 42	SUBSCRIBER SUBSCRIBER SUBSTREAM ROB TYP TRM ECOA BALDATE BALANCE PYMT LEVEL MOS REV ACCOUNT # ECOA BALDATE LAST PD MONTH PAY PAST DUE MAXIMUM * CREDIT AND COLLECTION 9-96 \$500-O 3980999 YC UNK UNK 2 4-05-02 \$250 9-96 (20) 98E543182136 a. ORIGINAL CREDITOR: DR. JOHN KILDARE/MEDICAL-HEALTH CARE "ACCOUNT INFORMATION DISPUTED BY CONSUMER" 24 * ISLAND SAVINGS 5-96 \$7,000-L \$5,700-H CLOSED 1211248 BC CRC REV 2 10-1-97 \$0 10-97 (18) 405855254820 * "ACCOUNT CLOSED AT CONSUMER'S REQUEST "* HEMLOCKS 25 2-99 \$1,000-O OPEN 2313849 DV ISC 024-D 3 2-01-99 \$1,000 2-99 (17) B285103111261 b. DEFERRED PAYMENT START DATE: 07-30-2003 CENTRAL BANK 12-98 \$22,350-O OPEN 132912 BI AUT 60 1 6-15-02 \$11,050 6-02 (31) 23802654388 26 * MOUNTAIN BK 27 30 31 32 3-93 34 \$43,225-O 38 OPEN 1119999 29 BI SEC 60 2 12-17-01 35 \$19,330 39 12-01 41 44 (39) 3562A0197325346R12345> 33 11-01 36 \$956 40 \$956 42 9-94/1





Tradeline Band continued...

EMPLOYEES CREDIT UNION 1220855 BC CRC REV 5396258022578	2-85 2 5-15-02 4-02	\$10,000 -L \$7,108- \$6,029 2-85 \$180 -A 49	H 48 OPEN (99)	CURR ACCT CCCCCCCCCCCC 00000000CCCC
HOME FINANCIAL 5935250 FM R/E 30Y 24000098500012 C. MIN: 123456789012345678	5-90 2 1-12-02 12-02	\$400,000-O \$234,000 5-90 \$3,128	OPEN (92)	CURR ACCT CCCCCCCCCCCC CCCCC000CCCC
STATE BANK 1299987 BC CRC REV 4271008232 d. PURCHASED PORTFOLIO FROM: S	1-90 1 6-15-02 5-02 OUTHWEST BANK	\$10,000 -L \$9,612 - \$8,628 1-90 \$255 -E	H OPEN (85)	CURR ACCT CCCCCCCCCCCC CCCCC000CCCC



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





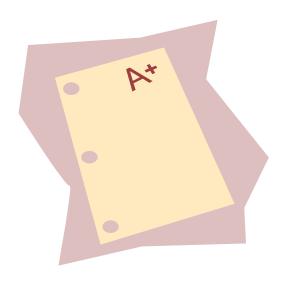


How long is information retained?

 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

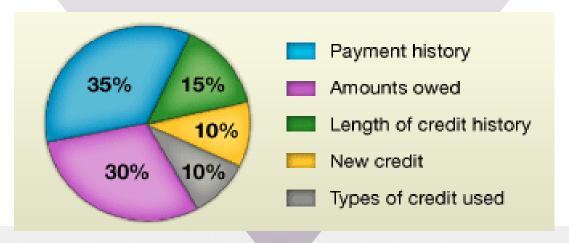


Credit Scores

SCOREX PLUS NEW ACCCT = 518 SCORE FACTORS: 61, 63, 40, 56

BANKRUPTCY PLUS = 1040 SCORE FACTORS: 39, 48, 90, 34

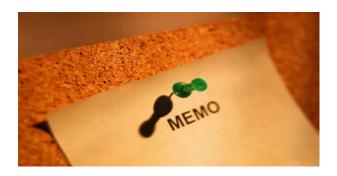
Scores are predictive of future behavior





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





