

Real Credit Repair

The way the professionals do it!

There is a difference between Real Credit Repair and using the Dispute to make corrections on your credit report.
Don't be fooled!

Save Hundreds of Dollars
learning insider trade secrets!



Includes an Insiders
Disclosure
on the
Credit Reporting
Industry!

Lee Clukey
Mark Darner

Real Credit Repair is significantly different from using the dispute to get errors on your credit report corrected. Making corrections is *not* what real credit repair is about. We will tell you how the professional credit repair companies do credit repair written by a credit repair professional. After learning how to do Real Credit Repair you can save hundreds of dollars by doing it yourself. Don't be misled by the phonies and those who lead you to believe that disputing is credit repair in order to get you to buy their services or books. Making corrections on your credit report is not what credit repair is all about!

Chapter 1

Consumer Reporting Agencies

Any company that engages in whole or in part in the practice of collecting and/or evaluating consumer credit information for the purposes of selling consumer reports and related “data products” to third parties (creditors, banks, mortgage companies, retailers, collection companies, etc.) is defined as a consumer reporting agency (CRA) by the Federal Trade Commission.

You may have also heard of agencies referred to as “credit score agencies”, “credit bureaus”, “credit agencies”, “service bureaus”, or some other variation. While these companies are more commonly referred to as bureaus we will stick with their legal name “agency” throughout this book. We will use consumer reporting agency or agency when referring to these types of companies. When quoting articles, news stories, reports, etc., will use whatever term the author used.

Anyone can start a consumer reporting agency. Any consumer reporting agency can contract with any company to compile information about you without obtaining your permission or even your knowledge. They can go to the courthouse and read through the public records and put this information in their databases, as well.

The largest companies that control this industry are often referred to as the Big Three: Experian, Equifax, and TransUnion. Innovis is also a major player in this industry so we will give it some special attention, as well, making them the Big Four. These companies also have subsidiaries that perform related services or make other uses of their parent company’s considerable consumer databases.

In addition to the Big Four there are over 2000 independent local CRAs throughout the U.S. Most cities have two or three consumer reporting agencies. If you have one in your local you will find it listed under "credit" or "credit reporting agencies" in the phone book. There are industry related agencies that service the mortgage, auto, and other niche market industries. In addition to the agencies there are thousands of other companies servicing some niche market that are collecting data on you that you may not be aware of.

Federal and state laws establish control of agencies

The Fair Trade Commission

The FTC deals with issues that touch the economic lives of most Americans. In fact, the agency has a long tradition of maintaining a competitive marketplace for both consumers and businesses. When the

FTC was created in 1914, its purpose was to prevent unfair methods of competition in commerce as part of the battle to “bust the trusts.” Over the years, Congress passed additional laws giving the agency greater authority to police anticompetitive practices.

In 1938, Congress passed the Wheeler-Lea Amendment, which included a broad prohibition against “unfair and deceptive acts or practices.” Since then, the Commission also has been directed to administer a wide variety of other consumer protection laws, including the Telemarketing Sales Rule, the Pay-Per-Call Rule and the Equal Credit Opportunity Act.

In 1975, Congress passed the Magnuson-Moss Act, which gave the FTC the authority to adopt trade regulation rules that define unfair or deceptive acts in particular industries. Trade regulation rules have the force of law. As you read through this booklet [available on the FTC website], you will learn about other laws that enable the FTC to help consumers.

The FTC’s work is performed by the Bureaus of Consumer Protection, Competition and Economics. That work is aided by the Office of General Counsel and seven regional offices. **-Federal Trade Commission**

Over time consumer reporting agencies had become so powerful that it became alarming. By the 1970s the government felt it was necessary for these companies to be regulated *to protect consumers*, whose information the agencies were collecting and selling. There was a concern that the data the agencies were compiling about consumers would be misused.

Thereby, companies that collect and/or offer information about an individual’s credit history, devise means by which they pronounce an individual’s creditworthiness, or work in this industry, even if they do not create actual credit reports, came under the control of the Federal Trade Commission. You can go to the FTC website for more detailed information about the FTC and to read the following laws and related reports.

- The Fair Credit Reporting Act (FCRA) originally passed in 1970. The act initiated control over the CRA’s to protect consumers.
- The Fair Debt Collection Practices Act (FDCPA) also passed in 1970 gave consumers rights regarding information stored about them in consumer reporting agency databanks.
- The FCRA was amended in 2003 by the Fair and Accurate Credit Transactions Act. The act allows consumers to request and obtain a free [credit report](#).
- In addition to Federal Trade Commission laws many states have laws governing CRA’s.

Regarding the operation of consumer reporting agencies

It is the purpose of the FCRA to require that consumer reporting agencies adopt reasonable procedures for meeting the needs of commerce for consumer credit, personnel, insurance, and other information in a manner

which is fair and equitable to the consumer, with regard to the confidentiality, accuracy, relevance, and proper utilization of such information in accordance with the requirements of this Act. - FTC

Prior to the FCRA and other laws, Equifax, beginning in the late 1800s, was alleged to have collected all sorts of information about individuals and businesses. They collected everything they could; facts and statistics, even rumors, regardless of any attempt at authentication of the data they collected. The information Equifax collected in their early days covered virtually every and any aspect of a individual's life – marital troubles, job and school histories, their childhood, sex life, political activities, etc. It has been alleged that the company rewarded its employees for collecting *negative* information about people that they could put into the agency's files.

There is a diversity of consumer reporting agencies producing a variety of “data products”. A data product is a sellable product that makes use of the information in the large database of history files the agencies have collected; credit reports, sales leads based on the selected attributes in consumers' history files, evaluation for insurance and employment, etc.

To give you some idea of the order of magnitude of the consumer reporting industry, Experian claims that each month there are more than 4.5 billion updates to their database in the U.S., alone. It claims to maintain records on over 200,000,000 individuals and over 15,000,000 businesses in the U.S. They state that over 1,000,000,000 personal credit reports are sold annually. It is a multi-billion dollar a year business. These are only the numbers for one of the four agencies! See Appendix D for more financial information on Experian.

None of the agencies that perform credit collecting and reporting are in any way connected with any government organizations as the term “agency” might tend to imply. None of the agencies have any legal policing authority. Consumer reporting agencies have no legal power over you. Banks, police or the government do not run any of the agencies. You should not be any more intimidated by the agencies then you are shopping at Macy's.

However, while the agencies may not have any government authority, do not underestimate their power. They have tremendous power to control your life and even destroy it. The information they peddle can have a devastating affect on your financial well being; increased interest rates, denial of credit, denial of insurance, denial from getting a job, and more. Their claims of “You can count on objectivity, fairness and integrity” needs to be taken with a grain of salt coming from a national company making billions of dollars peddling personal (but obviously not so private!) information about you.

The Big Four are the consumer reporting agencies because they control the industry, they control the data furnishers, they have the money to influence legislature, and they own the large computer systems that are capable of storing credit information on just about everyone in the United States and throughout most of the industrialized world.

They are the modern-day multibillion dollar Big Brother watching all your financial transactions, as well as, storing a lot of personal data.

FTC has limited capability to oversee operation of CRA's

Due to the high level of sophistication of the systems used in data processing by modern credit bureaus and given limited resources of data protection authorities, they usually are not able to directly monitor and audit quality of the system used by a data processor, but rather react to misdoings by a credit bureau or its members. – **World Bank & IFC**

The agencies only function is to collect and sell personal information about you regarding your borrowing and bill paying habits, and personal data like court judgments, where you live and work, your insurance, medical information, even unlisted phone numbers. The agencies are paid huge sums of money by companies that want to see what is in your credit history file. They also package and sell mailing lists based on specified parameters that companies are looking for to whom they will solicit their business.

The major national consumer reporting agencies

The credit reporting business

Accessible credit information enables all kinds of businesses to make informed decisions when extending credit, making promotional offers and facilitating a wide range of other activity that is essential to a healthy market economy. This credit information is based on the billions of updates we receive each month from auto dealers and finance companies, banks, credit unions, mortgage companies, retailers, student loan providers, utility companies, public records, and more, for virtually every market-active adult in the United States. You can count on objectivity, fairness and integrity. As an impartial third party, we do not create any of the data contained in a credit report; we simply collect, compile and display the information that creditors provide. And we're constantly working to maintain that trust. – **TransUnion website marketing material**

Equifax was founded in 1899 under the name of Retail Credit Company. It changed its name in 1975. It is the oldest consumer reporting agency in the US. It earned a reported \$1.5 billion in 2005 to give you some idea of the magnitude of this business industry. It maintains personal information on over 400,000,000 people worldwide (14 countries). Equifax sells detailed information on your personal credit and payment history, indicating how you have honored your financial obligations. Up until 1999 their source of income was derived from retailers and creditors. In 1999 with identity theft on the rise this opened a whole new market for them. They began to sell credit reports to individuals to help them monitor their credit history which enabled individuals to watch for credit fraud or identify theft.

Equifax Inc. (Equifax) is a global provider of information solutions for businesses and consumers. The Company's products and services are based on databases of consumer and business information derived from numerous types of credit, financial, public record, demographic and marketing data. It uses analytical tools to analyze this data to create customized insights, decision-making solutions and processing services for businesses. The Company operates in three global regions: include North America (United States and Canada), Europe (United Kingdom, Spain and Portugal) and Latin America (Argentina, Brazil, Chile, Ecuador, El Salvador, Honduras, Peru and Uruguay). In May 2008, Equifax acquired a majority ownership stake in Credit Report C.A. Buro de Informacion Crediticia (Credit Report).

– **Equifax website marketing material**

Equifax, PO Box 740241, Atlanta, GA 30374,
800-685-1111 www.equifax.com, to dispute a listing 800-685-1111

Experian was founded in 1980. It was formerly known as CCN Systems. Acquisition of TRW Information Systems put them in the credit reporting business. It has also acquired other companies to enable it to offer a larger array of services and to expand into a global operation operating in 36 countries. It collects information on people, businesses, motor vehicles and insurance as well as lifestyle data from online and other surveys. Its database contains information on 215,000,000 people in the US alone. It contains information on 450 million vehicles, including title and registration data. It is reported that Experian had \$4,149,800,000 in sales in 2008. Profits \$439,000,000.

Experian (formerly TRW), PO Box 919, Allen, Texas 75013,
800-311-4768 www.exprian.com, to dispute a listing 888-397-3742

TransUnion is the third largest consumer reporting agency in the US. It was founded in 1968 by Union Tank Car Company. Its credit reporting capability began with the purchase of Credit Bureau of Cook County in 1969. It has further built the company through the acquisition of consumer reporting agencies major cities throughout the U.S. It has office in 24 countries.

TransUnion, PO Box 1000, Chester, PA 19022
800-888-4213 www.transunion.com, to dispute a listing 800-916-8800

Innovis Data Solutions, also known as CBCInnovis, is the fourth largest consumer reporting agency in the US. It began as ACB Services founded by Associated Credit Bureaus I 1970. CBC purchased Innovis in 1999. Unlike the other large agencies, Innovis specializes in helping creditors compile mailing lists. Adverse information on your Innovis credit report, accurate or not, could prevent you from getting favorable credit offers in the mail. Whether you think that's a good thing or a bad thing is up to you.

Innovis, 250 E. Town St., Columbus, Ohio 43215

Pay Rent Build Credit - PRBC differs from other consumer reporting agencies in that consumers are allowed to report their own non-debt payment history to PRBC enabling consumers to build a positive credit history and eventually enter into the mainstream credit fold. It was incorporated in 2002 under the name Pay Rent, Build Credit. PRBC received grants from Ford Foundation in support of the company's mission to build a national data infrastructure that incorporates rental payments into credit reporting to benefit consumers. It also received funding from other foundations and companies. Initial data subscribers included Fannie Mae, Freddie Mac and Citimortgage.

www.prbc.com

Alternative data – This refers to any non-financial data that *you can use* to help establish your credit in order for companies to estimate your creditworthiness. Alternative data includes such items that you can provide: utility bills, rental payments and electronic payments (deposits, withdrawals, transfers, etc.)

Local and industry based consumer reporting agencies

In addition to the major national and international consumer reporting agencies listed above there are approximately 2000 local agencies. There are also specialty agencies that serve industries such as the auto and mortgage industries.

In recent years, many new companies have sprouted, compiling reports specifically targeted at employers, insurers, landlords and other “niche markets”. Many personal finance companies participate in associations (called lenders' associations) that maintain records of credit extended to an individual from members in the association.

- There is a medical credit bureau that primarily serves doctors and dentists.
- Another association (The Medical Information Bureau) pools certain health information of applicants for life insurance.
- There are a number of associations that serve retailers that accept personal checks and banks that seek information on customers opening checking accounts (Telecredit, SCAN, and Chexsystems).
- There are a variety of associations that serve landlords evaluating prospective tenants, and so on.

Unfortunately, most consumers are in the dark about the very existence of specialty consumer reports these companies sell. Companies that compile reports on consumers for other than credit have been designated by Congress as “nationwide specialty consumer reporting agencies.” These agencies compile reports about much more than just your credit history. Usually people learn about specialty reports only after having been denied a job, insurance, an apartment rental, to name a few of the markets these agencies service.

Most of these smaller companies that compile and sell data products for targeted users are “consumer reporting agencies” under the FCRA, just like the four national

consumer reporting agencies: Experian, TransUnion, Equifax, and Innovis. There are some that for one technical reason or another do not qualify as a CRA and thereby do not have to comply with Federal laws, eg., the grocery store discount clubs.

For each specialty market one or two companies dominate the market. This means it will be easier for you to find out where to direct your request. For other industries, such as employment and rental history, specialty reports may be prepared by companies that are difficult to locate. If you've been turned down for an apartment rental based on a report from one of these agencies, or if you are denied an insurance policy due to information on a report, you are entitled to a copy of that report.

The following list of specialty agencies represents only a small sampling of the types and names of companies that collect data on consumers.

- **Medical and prescription drugs**

- **The Medical Information Bureau (MIB)** is a nationwide specialty consumer reporting agency that compiles and maintains records concerning a consumer's life, health, long-term care, and disability insurance. Generally, you will have an MIB file only if you have applied for one of these insurance products within the last seven years, and only if you've applied as an individual rather than as a member of a group. If you have no significant medical condition and have not applied for insurance as an individual, you are not likely to have an MIB report. The report includes information that you have reported on an insurance application or that the insurance company has obtained from your healthcare provider indicating a medical condition that insurance companies consider significant. In all, MIB assigns from among 230 codes that indicate medical conditions such as asthma, diabetes, high blood pressure, depression, and so on. The MIB estimates that about 20% of population has an MIB report. (www.mib.com) (866) 692-6901 For more information about free reports from MIB, see the company's web site, www.mib.com/html/request_your_record.html.

- **IntelliScript** and **MedPoint** are agencies that compile and report prescription drug purchase histories to insurance companies. Like the MIB reports, IntelliScript and MedPoint reports are used primarily when consumers are seeking private health, life or disability insurance. Prescription drug databases can go back as far as five years, detailing drugs used, as well as, dosage and refills. Until recently, use of prescription drug databases was unknown to consumers. Insurers' use of these agency databases first came to light in 2007 when the FTC sued Milliman, the owner of the IntelliScript database, and Ingenix, Inc., owner of the MedPoint database.

MedPoint Compliance, Ingenix, Inc., 2525 Lake Park Blvd, West Valley City Utah 84120, (888) 206-0335, www.ingenix.com/ContactUs/

IntelliScript reports are available by calling the toll-free request line at (877) 211-

4816. Consumers will have to provide their full name, date of birth, last four digits of their Social Security number and current zip code. Milliman will provide a copy of any information the company has on an individual as well as the names of insurance companies that have requested a prescription history.

www.rxhistories.com/how_it_works.html

- **Residential and tenant history and evictions**

There are many companies that prepare reports for landlords concerning individuals who have applied to rent housing. Consumers may have a particularly difficult time exercising their right to a free specialty report when the “specialty” market is saturated with these agencies. This may prove to be the case for tenants who want to check their file. If you learn you will be subject to a tenant screen, you may save yourself a lot of time and trouble by simply asking the landlord the name and contact information for the screening company. ChoicePoint is a large national company (877) 448-5732, www.choicetrust.com First Advantage Safe Rent www.fadvsafere.com/index2.php. (888) 333-2413

- **Check writing history**

- ChexSystems is a nationwide specialty consumer reporting agency that collects and maintains information from member financial institutions such as banks and credit unions. If a bank closes your checking account because of insufficient funds, for example, it will make a report to ChexSystems so that other banks will be able to check your banking background when you apply for new accounts. (800) 428-9623

www.consumerdebit.com/consumerinfo/us/en/chexsystems/report/index.htm

- Shared Check Authorization Network (SCAN) maintains a database of returned checks and instances of fraud. It provides check authorization and verification to member retailers. (800) 262-7771 (U.S., Guam, and Puerto Rico)

www.consumerdebit.com/consumerinfo/us/en/consumerreports/index.htm#TopOfPage

- TeleCheck also maintains a database of returned checks and instances of fraud. It provides check authorization and verification to member retailers. (800) 835-3243. www.telecheck.com. As of this writing, TeleCheck does not have information on its web site, other than reference to a toll-free number for FCRA disclosures, listed above.

- **Employment background checks**

Obtaining a free copy of your employment report may be a frustrating exercise unless you know the name the company that performs the background screening. Employees and job applicants do have some additional rights under the FCRA regarding access to background check reports. For example, the employer must give

you notice that a background screening may be conducted, and the employer must get your permission. Notice and permission must be given on a separate document, not buried in an application or another form.

Unfortunately, under the FCRA an employer need not tell you the name of the company that will screen you. The employer need only give you a copy of the report if he or she decides *not* to hire you or denies you a promotion if you are a current employee. But it's important that you keep in mind -- your right to a free employment report does not hinge on the employer's action.

Secrecy appears to us to be a significant loophole in the law. Under California law, on the other hand, an employer must give you this information up front. (California Civil Code §1786.12(2)(B)(iv)) In addition, California laws allows you to get a copy of your report for two years. (California Civil Code 1786.11))

However, to say you have the right to a free specialty employment report means little if you don't know where to look. That's because hundreds of companies are now engaged in employment background screening. The National Association of Professional Background Screeners lists over 300 member background check companies. www.napbs.com/

One employment screening company that offers free reports is ChoicePoint. If you know you were the subject of an employment background check conducted by ChoicePoint, you can get your free file disclosure by contacting the company at (866) 312-8075, or at www.choicetrust.com

The Work Number provides employment data reports, which are entirely different from the employment background screening reports. Employment Data Reports are limited to basic employment information (such as name of employer, dates of employment, salary, and job title) obtained from participating employers. The Work Number is an employment and income verification service, not a background screening service.

Essentially, the Work Number permits companies to outsource certain payroll and human resource functions. Thus, it operates somewhat differently than a typical consumer reporting agency in that it only collects information from the employers with which it has contracts. The Work Number maintains information on approximately 25 million employees who have at some time worked for a participating employer. It is operated by TALX Corporation, which is owned by the credit reporting agency Equifax.

The Work Number will provide you with one free Employment Data Report every 12 months. (866) 604-6570, www.theworknumber.com/Employees/datareport.asp.

- **Homeowner and auto insurance claims**

- Specialty reports that tell insurers about claims you have made against your homeowner's or automobile insurance policies are prepared by two companies
Insurance claims
- ChoicePoint, CLUE report, maintains a wide variety of information on consumers, including insurance claims, employment, and tenant history.
(www.choicetrust.com) (866) 312-8076
- ISO Insurance Services www.iso.com/products/2500/prod2562.html (800) 627-3487.

- **Public records**

Public records include records created and maintained by government agencies that are open for public inspection. This includes information such as real estate title records, liens, death records, motor vehicle registrations, criminal records, judgments, and much more.

Publicly available information is information about an individual that is available to the general public from non-governmental sources such as newspapers, magazine articles and telephone directories.

LexisNexis provides a broad range of information to both businesses and government for numerous purposes including identity authentication, employment screening, fraud prevention, claims management, and debt collection. Information provided by LexisNexis includes public records, other publicly available information, and some non-public information.

Some LexisNexis products contain non-public information, which may not be readily available to the general public. Non-public information is information about an individual obtained from a source that is privately owned and that is not available to the general public including commercial directories or databases compiled by other publishers. Non-public information may include the following information: current and previous addresses; Social Security Number; previous names used, such as alias names, maiden names or previous married names; birth date information; and/or telephone numbers.

According to LexisNexis, some of its products are considered to be subject to the FCRA, while others are not. However, LexisNexis will provide individuals with a copy of the information about themselves contained in the so-called "Person Report" products distributed through its Accurant information services division. These reports tend to be much more comprehensive than the other reports discussed in this fact sheet, and go well beyond typical specialty reports in terms of types of information provided. (888) 332-8244

https://w3.lexis.com/consumeraccess2.0/sample/person_report.htm,

A ChoicePoint Full File Disclosure includes both the consumer's file and a public records search. This is the information that is used by ChoicePoint to create consumer reports. These consumer reports may be sold to businesses with a legitimate business need for that information. The public records search will contain information available in county, state or federal public records such as real estate transaction and ownership data, lien, judgment and bankruptcy records, professional license information, and historical addresses.

The ChoicePoint Full File Disclosure will include data from its specialty reports as well as additional information. The disclosure includes your CLUE reports current insurance carrier reports, a pre-employment background check (only if one has been previously ordered by an employer), criminal records information, and additional information that may be available in ChoicePoint's files.

www.choicepoint.com/documents/ffd_faqs.pdf

- **Opinion molders database**: "Effective Mailing Lists to Reach "Influentials" in Media, Government, Business, Religion, Education, Medicine, Environment and more!"
- **Dunhill International Lists** is one of the principal telemarketing and direct marketing companies. It offers lists on:
 - **Affluent America**: "This is the most comprehensive database of millionaires, multi-millionaires and billionaires and their wealthiest neighbors available anywhere. The Dunhill Affluent America file represents the top 5% of American Families. The total count is over 100% greater than any other wealthy file and is viewed as the most complete database of it's kind. These are the "cream of the crop."
 - **Sub-Prime Auto Loan Applicants**: "reach currently active high interest rate credit users. Many have had their loan applications (auto, home, credit card) rejected due to a poor credit history or have no credit history. These individuals are in dire need of credit. They face the challenge of everyday finances. They are looking to re-establish and rehabilitate their credit. They could not qualify for a conventional loan and therefore financed an automobile with a sub-prime auto lender."
- **National Change of Address Service (NCOA)** is administered by the U.S. Postal Service. Groups that subscribe to the NCOA can obtain updates when a current postal customer makes a permanent change of address request to the Postal Service. This is the one of the primary methods by which companies obtain individuals' addresses after they move. Businesses can purchase the updates for as little as \$5 per thousand names.
- **Locatable Address Conversion System (LACS)** a list of persons who live in rural areas whose addresses have been standardized as a result of development and the

deployment of government services. There are over four million addresses in the LACS.

- [National Change of Address Service](#), United States Post Office..
- [Locatable Address Conversion System](#), United States Post Office.
- [Dunhill's Consumers - New Addresses Database](#).

Dunhill has a huge file of changes of address. Movers notify their creditors of their new address. Changes of address are available as a monthly hot list. This list provides approximately 1 million names per month.

- **Children**

Selling personal information on students and children is big business. Visit the Electronic Privacy Information Center on line for more information about Student Privacy, and student profiling. See the Children's Online Privacy Protection Act for more information about marketing to children.

- **Supermarket "Club" or "Loyalty" cards and retail surveillance**

Supermarkets offer membership cards that grant discounts to consumers. What often goes unmentioned is that these club cards enable the store to create detailed profiles of their shoppers' buying habits. Supermarkets sell more than just food. They sell alcohol, cigarettes, pharmaceuticals, magazines, etc., which can provide for interesting profiles on individuals and families. These profiles are linked to individually-identifiable information which requires consumer state issued identification.

The danger in supermarket profiling is increased by the fact that supermarkets are not limited by law in sharing the information they collect. A supermarket can sell the information to a health insurance company or they can cross correlate their information with databases at other companies to create more complete profiles on consumers.

- **Product warranty cards**

Many items come with "product warranty cards." Often, these warranty cards solicit information from the consumer that is wholly unrelated to the purchase (income information, number of persons in the household, ages, interests, hobbies, ailments, etc.). The wording of the warranty cards suggest to the consumer that they must provide this information in order to register the product. Individuals do not need to provide the personal information requested on product warranty cards. It is only necessary to keep the receipt of purchase and the card in order to secure the warranty as provided by most state laws.

- **Automatic Phone Number Identification (ANI)**

ANI is similar to Caller ID (CID). ANI reveals the name, address, and phone number of the caller when the line is used to call a toll-free (800, 888), charge (900, 976), or police phone number (911). Unlike CID, a caller cannot block ANI.

Few individuals are aware of ANI and fewer are aware that businesses can use ANI to collect information from callers. The ANI can automatically search for the customers' profile from a variety of databases.

Other phone services, such as Automatic Call Distribution can then assign the caller to a certain priority or level of service based on their profile. ANI and related services can also be used to block a customer's call.

- **Casinos**

Casinos are the biggest users of consumer profiling in any industry. In addition to the traditional consumer profiling based on purchases and club membership cards, casinos use facial recognition and other state-of-the-art technologies to identify customers. The casinos share their databases with the other casinos creating a significant database of consumer information.

- **Direct Media List Showcase**

Has a searchable index of consumer profiles from catalog and magazine purchases online. These include:

- Lists of Catholics who subscribe to Newsweek Magazine – Newsweek has identified the Catholic subscribers with info-base lifestyle and demographic information. Newsweek Catholic subscribers not only respond to Catholic appeals but to a variety of other fundraising and non-profit organizations dedicated to humanitarian, cultural, and health causes.
- Lists of Catholics who make charitable donations – Catholic donors to religious appeals now can reach concerned, giving Catholic donors with this brand new file. These donors have made contributions to several different Catholic organizations, and will be very responsive to traditional catholic appeals.

- **Nationwide, regional and local criminal databases**

Data contained in the Nationwide Criminal Database search can come from statewide repositories, local county information, department of corrections, sex offender registries and Administration of Courts records. Search also includes the INTERPOL Most Wanted, Fugitive List, Office of Thrift Supervision, OFAC Blocked List, P.R.I.O.R.S and Denied Person(s) List databases. We recommend the

Nationwide Criminal Database search be used as a supplement to a county and/or statewide criminal records search. There are over 200,000,000 million records on file in the US alone.

- **Dun and Bradstreet & other business agencies**

This is another major industry of data product merchants. Companies like HippoDirect.com have a great assortment of databases on individuals and businesses.

- **KnowX** - To give you an idea of how comprehensive the consumer reporting agency business has become we have included this list from the KnowX.com website (appears to be owned by Experian). This is just a small sampling of the agencies and their capabilities that I have come across while researching the web.

Locate People:

- ▶ [Tracer](#)
- ▶ [Death Records](#)
- \$ [Order Birth Certificate](#)
- \$ [Order Death Certificate](#)
- ▶ [Reverse Address](#)
- ▶ [Reverse Phone Number](#)
- ▶ [Ultimate People Finder](#)

Locate Businesses:

- ▶ [Business Yellow Pages](#)
- ▶ [FEIN](#)
- ▶ [Fictitious Business Names](#)
- ▶ [Ultimate Business Finder](#)

Uncover Affiliations:

- \$ [Executive Affiliation](#)

Other Records:

- ▶ [Divorce Records](#)
- ▶ [Marriage Records](#)
- ▶ [Free Public Records](#)

Run Background Checks:

- \$ [Advanced Background Check](#)
- \$ [Background Check](#)
- \$ [Bankruptcy](#)
- \$ [Judgments](#)
- \$ [Lawsuits](#)
- \$ [Liens](#)
- \$ [Criminal Records](#)
- \$ [UCCs](#)

Evaluate Assets:

- \$ [Aircraft](#)
- \$ [Assets](#)
- \$ [Real Estate](#)
- \$ [USCG Vessels](#)
- \$ [Watercraft](#)

Small Business Tools:

- \$ [Document Retrieval](#)
- \$ [Pre-Employment Screening](#)
- \$ [Target and Win New Business](#)
- \$ [Verification Resources](#)
- \$ [OFAC Compliance](#)

Research Business Reports:

- ▶ [D&B Business Reports](#)
- ▶ [Experian Business Reports](#)

Verify Professional Licenses:

- ▶ [Chiro Background Check](#)
- ▶ [DEA Registrations](#)
- ▶ [Dentist Background Check](#)
- ▶ [Doctor Background Check](#)
- ▶ [FAA Airmen](#)
- ▶ [Medical Providers Background Check](#)
- ▶ [Nurse Background Check](#)
- ▶ [Nursing Home Check](#)
- ▶ [Professional Licenses](#)

Research Businesses:

- ▶ [Business Background Check](#)
- ▶ [Business Profile](#)
- ▶ [Corporate Records](#)
- \$ [Name Availability](#)
- ▶ [Owners & Officers](#)
- ▶ [Sales Tax Permits](#)
- ▶ [Vendor Check](#)
- \$ [On Demand Searches](#)

- **Non-agency type sources of personal information collection**

While we are discussing agencies that are collecting data on you that can be tapped into, I want to take a moment to mention there are many other major sources of personal history on tap; websites like FaceBook, YouTube and other similar data collecting websites. In these instances the information on record is voluntarily submitted by individuals themselves.

I read that some survey found that perspective employers are resorting to searching the web for information to screen applicants. It has also become common place for collectors to look for information about individuals on these and similar websites. If you are a member/user of these services consider what information you have put on them for your friends and family, and anyone browsing for personal

information; employers, insurance companies, banks, skip tracers, anyone! And they do not need your permission.

Beware of Phishing

Phishing is sending authentic looking but fraudulent email designed to steal sensitive personal information. An estimated seven million consumers gave phishers personal information. Social networking sites provide cybercriminals with more ways to gather personal information. Users of these sites may reveal sensitive family information simply by posting photos showing where they live or by describing forthcoming family vacations, revelations that can help criminals. The number of victims unfamiliar with such risks continues to expand. In a survey by Consumer Reports it was learned that half of the respondents ages 36-45 were users of a social network site.

Google, Yahoo,

There are hundreds of internet search engines can search millions of pieces of data in seconds and compile a list of relevant (and non-relevant) information on an individual. For the fun of it I browsed my name and found a lot of surprising pieces of information from my past that I'd completely forgotten about, items I'd written for advertising our company, information about my company, newspaper articles, etc., all publically available data.

Genealogy

Google found 119,000,000 genealogy websites listed. These organizations have collected a lot of information on your ancestry. I worry about this information being readily available as banks ask you for your mother's maiden name as a verification code. When I realized this I stopped using her name and started using a password.

Trip Advisor and other websites that accept public opinion

There are easily hundreds and possibly thousands of websites in every industry that allow people to submit their opinions on businesses.

Mailing list companies

Local direct mail business across the US that sell just about any mix of data on individuals and businesses; income, family size, home ownership, type of business, ownership, etc. to which they sell to companies to use to mail their marketing material. These companies have the ability to sort through their databases and come up with any specified compilation of consumers.

Consumer Data Industry Association

Even though the consumer reporting agencies are competitors they have formed a trade organization called the Consumer Data Industry Association (CDIA). While the primary purpose of the association may be to establish reporting standards it is very active in lobbying on the agencies' behalf regarding issues on any new consumer laws that might come before Congress in Washington D.C. The agencies' objective is to eliminate any new Federal and state laws that would further control the agencies' ability to collect information about you and sell its data products.

The Consumer Data Industry Association (CDIA) is an international trade association, founded in 1906, that represents consumer information companies that provide fraud prevention and risk management products, credit and mortgage reports, tenant and employment screening services, check fraud and verification services, and collection services.

[Lobbying] CDIA represents the consumer credit reporting information industry before state and federal legislators. It also represents the industry before the media in consumer credit reporting matters. The services offered by CDIA to its members include federal and state legislative affairs, public relations, education and industry standards. Member companies are active participants with the Association in its ongoing work. They sit on ad hoc working groups and committees that formulate the policies and positions of the Association.

CDIA sets industry standards and provides business and professional education for its members. It also provides educational materials for consumers regarding their credit rights and how consumer credit reporting agencies can better serve their needs. Membership: Over 200 American credit reporting agencies, mortgage reporting companies, collection services companies, check services companies, tenant screening companies and employment reporting companies.

Industry: One billion credit cards are in use in the United States today. A similar number of consumer credit reports are issued annually in the United States. Four and a half billion pieces of data are entered monthly into credit records. Each of the consumer credit reporting systems — Equifax, Experian, and TransUnion — maintains 200 million credit files, which are used by independent credit reporting agencies across the United States. - **Consumer Data Industry Association website marketing information**

Data furnishers

We have discussed the consumer reporting agencies and what they do. Now, we will introduce the source of the information that is the foundation of the credit reporting industry; the source of the data agencies compile and store in their huge computer databanks, and sell in a variety of data products.

Unlike "consumer reporting agency," the term "furnisher" is not defined in the FCRA even though they are a major player in this industry and the very basis of its operation. As the term is generally understood, however, furnishers are entities that provide information about their customers to the CRA's.

The agencies are provided personal information, financial data, etc., about you from a great number of sources. Although most national department store and bank credit card accounts will be included in your file, not all creditors, including some travel, entertainment, gasoline card companies, local retailers and credit unions, supply information to credit reporting agencies. About twenty percent of credit reports from the major agencies are missing major credit, loan, mortgage or other consumer accounts.

Any company or organization that reports personal information to the agencies is called a “data furnisher”. Data furnishers can be, but are certainly not limited to:

- Creditors with which you have done business, made a loan, etc. Credit card companies
- Banks, savings and loans, credit unions
- Auto finance companies
- Mortgage companies
- Collection companies
- Retailers
- Medical providers
- Non financial sources, such as utility companies
- Your doctors and hospitals you owe money
- Your past or present employer
- Public records (Technically courts possibly are not data furnishers. Public records are open to the public, but to the best of our research we could not find instances where courts voluntarily reported data to the agencies. Courts allow companies to search their records. Experian has companies that collect daily directly from the courts on civil judgments of \$50 or more and criminal judgments.) A judgment report can reveal that a customer is becoming a higher risk because of a court's decision based on facts in the case.
 - Government agencies, like the IRS
 - State or municipal courts reporting judgments
 - Child support courts
 - Bankruptcy courts
 - IRS judgments

Some examples of judgment information that will be delivered are:

- Liability amount
- Debtors
- Original filing date
- Filing number
- Filing location
- Release date
- Bankruptcy

- Judgments

We make the assumption that the reason the agencies pay to have public information searched is because this relinquishes the agencies of the responsibility for the accuracy of the data contained in the public records. If the agencies acquired the data from public sources themselves then they could be held accountable for inaccuracies as they would be entering public data into their databanks. The agencies hold themselves blameless for any data reported to them. They claim to only be depositories of data.

The FCRA does not require furnishers to report to CRAs, but, as discussed below, if they do report, they must comply with certain provisions of the statute.

Repositories [CRA's] also obtain information from courts, city halls, tax offices, and motor vehicles departments. **For those public record sources that are not yet available electronically, the repositories often hire contractors to manually collect the information.** This information is then added to the repositories' databases for inclusion in future consumer reports.

Some entities [data furnishers] choose not to report to all the repositories in light of the potential liability imposed on furnishers by the FCRA dispute provisions as well as the costs involved in furnishing. These costs may include those associated with reporting, handling investigation requests, establishing policies and procedures to ensure compliance with the FCRA, and performing audits of reporting systems and information reported. - **Federal Reserve Board report to Congress**

Data furnishers voluntarily furnish data to the agencies

The first and most important thing you need to know about the whole system of consumer reporting and the selling of data products (if you get nothing else out of this book), is that there are NO LAWS that REQUIRE DATA FURNISHERS TO REPORT ANYTHING to any type of consumer reporting agency. Even the courts do *not have* to report judgments. Public records are open for perusal.

Okay, it's all voluntary so why do they voluntarily report data? Actually for a brief period in the 1990s lenders accounting for about a half of all consumer credit ceased reporting certain information (credit limits and high balances) on at least some of their credit card accounts. Financial regulators warned lenders their underwriting systems might be compromised by incomplete agency information. The leading agencies responded by announcing they would limit access to their databases for lenders who would not comply with agency guidelines. Thereafter, the lenders began to send more complete credit information.

Data furnishing is a voluntary system devised and orchestrated by the consumer reporting agencies with the power to impose "volunteering". Without all of the

volunteers providing the agencies their data the agencies would not be able to sell billions of dollars of data products each year. Further, if it surprised you that the data furnishers voluntarily provide the agencies with data, it may further amaze you that the data furnishers also pay the agencies for providing them with their data.

Think about this for a moment. Wouldn't it be nice if everyone in the United States went out of their way to offer to supply you with the raw products you need to produce your products – for free and at their expense? All you have to do is repackage the data and sell it for billions of dollars? And who are your biggest customers? The very people who furnish you your data to the agencies. It's a wonderful business and it is thriving in the recession.

The next time a bank employee tells you that the law requires them to report to the agencies that your account is delinquent and that this information will remain on your account for seven years (the statute of limitations) if you do not make a payment, understand that this is an unlawful act of harassment to scare you into making a payment. There is no such law that requires banks or anyone else to report anything to anyone!

The Consumer Data Industry Association also states this very clearly on their website. The following is a very important excerpt that substantiates what we are telling you, that there is no law and all of the companies that report data about you and your finances is done on a strictly voluntary basis. The complete report from which the following was excerpted is readily available if you go to the Association's website. It is no big industry insider secret.

Data Furnishing

Recognition of the voluntary system of data furnishing the key to successful guidelines and regulations is that they must take into account the factual reality that no data furnisher is required to provide data to any type of consumer reporting agency. We agree with the Agencies inclusion of encouragement to furnish data to CRAs and applaud the Agencies' recognition of the fact that this voluntary system provides substantial benefits to consumers.

– CDIA

We will say it again, THERE ARE *NO LAWS* THAT REQUIRE your creditors or any other entity to report anything about you!!!! Never forget this no matter what creditors, collectors or anyone tells you! The only obligation that your creditors have, by law, is that *if they do* report anything about you they are REQUIRED to report it ACCURATELY. That's it! That's the law!

While there are no laws demanding reporting the agencies certainly benefit from the misconception that such laws exist, because the misconception gives what they do (data collection) a sense of legal authority. If there was a law that forced retailers and banks to send your credit information to the agencies the agencies could say they were following the law, but there is no such law!

While looking at Trip Advisor I got to thinking about how many intrusive ways there are to collect data about people and businesses. Certainly Trip Advisor has no way of making people report their opinions about the places they have stayed to Trip Advisor, yet people eagerly send in positive reviews to help inn owners at places they had a good stay or to punish inn owners that did not meet their expectations.

Before writing this book I believed that the law required my credit card companies to report that my account was past due. More than one credit card caller told me that the law required them to report my delinquent account to the agencies and that this information would remain on my credit report for seven years (the statute of limitations), damaging my credit score, if I did not keep my payments current.

I wonder, now that I know the truth, if the creditor's callers really believed this to be the truth or they were told to say this to scare people into making payments. I have tested this misconception by asking friends and business associates if they knew if it was a law or not. Every one of them believed it was the law.

Granted, when things are going well the good things the agencies report about you makes life easier for you, such as enabling you to quickly qualify for new credit or help you to get better interest rates. When times are good you are probably happy they are in business.

However, when you are down and out and hurting the last thing you need is someone kicking the damn stuffing out of you to make sure you have little chance of getting up again; foreclosure, bankruptcy, late payment, etc., being broadcast to the world.

Bad credit reports and a low credit score following in the wake of your financial problems that further keep you from getting loans, insurance, a job, or whatever you need, is just one more problem in your life that you can well do without; especially when you are hurting. It is in this instance that we believe you have a right to deal with the agencies accordingly; as the law provides.

Defining accuracy in reporting data

The laws regulating data furnishers and the agencies were not created with the intent that they should hinder a consumer's objectives to maintain their best credit scores. The laws are intended only to make sure that agencies are not reporting incorrect data and thereafter distributing credit reports that inadvertently negatively affect a consumer's ability to obtain loans, buy insurance, get a job, etc. However, as the following excerpt substantiates "accuracy" is a somewhat nebulous term.

Defining "accuracy" is problematic

The Fair Credit Reporting Act does not define the term "accuracy", nor did Congress choose to do so when it enacted the FACT ACT in 2003. Congress limited the definition of accuracy to that which a furnisher knows or has reasonable cause to believe is inaccurate. Further, Congress

did not require the Agencies to formulate a definition in establishing the duty to issue guidelines and regulations regarding accuracy and integrity. Congress rightly so has not determined that a definition of this term is necessary or helpful to the operation of the FCRA.

– **Consumer Data Industry Association 12-13-2007**

The laws regulating data furnishers and the agencies were also not created with the intent that they should hinder a consumer's objectives to achieve their best credit scores. The laws are intended only to make sure that the data that the agencies collect and thereafter sell is correct.

To this end, the agencies are not held responsible for the accuracy of the data in their databanks. The agencies are merely depositories for data. It is the data furnishers' responsibility to make sure the data they report to the agencies is accurate. It is significant that the agencies are not purchasing data. If they did this might change the aspects of responsibility.

- The law only requires that data furnishers report accurate data. It does not have to report all of their data or any of their data on their borrowers' accounts.
- The law allows data furnishers to report a person's credit limits, credit balances, and account status, litigation, liens, etc., but only if they chose to do so; volunteer.
- Data furnishers, by law, must investigate all disputed data, as well as, verify all requests for verification of accounts that any consumer submits to the consumer reporting agencies. They must review each and every request and report corrections and/or verify that the data that they reported is correct. They must deal with each request within the legally required 30 period from the time the request was received by the consumer reporting agency. If they miss the 30-day period, by law, the consumer reporting agency must remove the account in question.
- If at a later date the data furnisher re-reports the status of the account it must notify the consumer that they are putting the derogatory listing back on your credit report.
- Chapter 6-2, "Credit Score Repair – classic dispute" will provide more details about the dispute and validation processes, as well as get into the other procedures for challenging data reported on a credit report.

There are problems, however, mainly because the industry is for the most part self-policing. What little control is exerted by the Federal Trade Commission is due to consumers' complaints and legal suites. When there are enough problems reported to the FTC there is the possibility that congress may pass another law, but without the manpower auditing daily activities the agencies and the rules that govern the credit reporting industry may or may not be fully implemented by the industry players. The agencies are in business to make money. This is a very profitable business. Quality control costs money.

Credit reporting companies

The last players to introduce you to are the credit reporting companies. Do not confuse “credit reporting companies” with “consumer reporting agencies”, such as Experian. Mark guestimates there are about twenty credit reporting companies in the U.S. NCO Credit, Credex, and Advantage Credit are three of the big credit reporting companies.

Frankly, I had a difficult time finding any information on credit reporting companies. It is not a well know aspect of the credit reporting industry. The companies for which Mark gave me names do not make it clear that they are “retailers” (for lack of a better term) for the agencies.

These companies interlink between the agencies and businesses which purchase credit reports; creditors, merchants, government agencies, etc. The consumer reporting agencies do not sell their credit reports directly to businesses. In a matter of speaking the agencies buy credit reports from Experian wholesale and then retail them to businesses.

You can buy your credit report directly from Experian or one of the other agencies, but this report is not official and other than its “educational” value to you it has no value and cannot be accepted for the purpose of establishing your credit score with a creditor.

One source suggested that one of the reasons for this is security. The credit reporting companies limit the number of access lines into the agency databases. Control interfaces add a level of security in that the public does not have direct access to agency databases.

The credit reporting companies are responsible for making sure that the companies requesting your credit report and score are legally allowed to have this information. Selling consumers’ actual credit report is different from selling information about you that is sold in other data products.

There is also a need by the creditor to make sure that the credit report is authentic. The consumer reporting companies assure the business purchasing a credit report that it is an authentic.

FYI – Credex and Compliance – A Credit Reporting Company

While Credex® provides tools to streamline the Point of Sale, we also realize that compliance and applicant confidentiality is an important factor since our tool interacts with applicant credit files. The following is an overview of how Credex® stays in compliance as it relates to FCRA regulations that govern applicant credit reports:

- Credex® does not accept companies who are affiliated with credit repair
- Credex® users are credit reporting agency approved mortgage originators
- Applicants apply with a specific mortgage originator for the purpose of obtaining a loan
- Applicants agree and acknowledge the purpose for applying online is for a mortgage loan

- Applicants complete the same security process as the repositories to access their credit report and mortgage credit disclosure
- Originators are notified of unsuccessful attempts by the applicant to access their credit report as possible fraudulent activity
- Credit reports are tagged with a mortgage inquiry at the repository level on behalf of the specified originator
- Automated billing receipts for credit reports are provided to the originator and applicant(s)
- Automated pass through mortgage credit disclosures are provided to the originator and applicant(s)
- Credex® does not store credit reports in our database
- Credex® does not email credit reports but does provide secure online access to retrieve, view and print them
- Fraud reporting on originator accounts is provided to credit reporting agencies and the three major repositories
- Credex® retains employee(s) that are FCRA (CDIA) certified

- www.credex.net/compliance.html

FYI - Advantage Credit: The credit reporting service leader

Advantage Credit one of the top credit reporting companies in the nation. Our expertise makes us an excellent resource for your borrowers for credit report information, credit scoring, mortgage fraud & identity theft prevention and more. With traditional and innovative origination tools, Advantage Credit offers ways to help you process more loan applications, improve borrowers' credit scores, and close more loans.

In addition to our primary Mortgage Broker customers, Advantage Credit provides services to customers in business segments that include lenders, realtors and government agencies; where our value-added information technology & superior service help increase profits.

Advantage Credit's broad experience in processing credit report corrections through our Rapid Rescore service generates the fastest production for your business. Advantage Credit is the best in the business when situations require proactive diligence and quick turnaround to close a loan. Our customer service personnel are friendly, onsite professionals that respect your business and your time.

- www.advantagecredit.com/corporate_information/index.aspx

FYI - Marketing material from TransUnion's website

The purpose of including this information is to provide some insight that supports how the agencies use personal information about you.

TransUnion Marketing Services

In today's competitive marketplace, you need to work smarter - not necessarily harder - when growing your business. Our marketing services allow you to make better strategic decisions and achieve greater results by

reaching the right prospects and retaining the most profitable customers - all while maximizing the efficiency and effectiveness of your marketing efforts.

Working smarter means targeting the right customers - individuals who are the best fit to your business portfolios. Our marketing solutions utilize timely and accurate consumer contact data, comprehensive behavioral information, and sophisticated analytics to provide valuable insight that can help you grow your customer base - and your revenue. Best of all, these services can be customized to your specific needs, allowing you to gain even more value from your marketing campaigns. Our marketing services also enable you to:

- Leverage the latest data to uncover new markets and identify the best prospects.
- Reduce costs by weeding out unqualified prospects before a mailing is sent out
- Attract new clients and retain current ones through competitive offers, increase credit limits or valuable products and services
- Make faster, more informed decisions that enhance customer service
- Optimize sales opportunities by targeting offers to qualified customers at the point-of-sale.

TransUnion Collections Management

Bad debt can damage your business and impair your ability to stay competitive. Our solutions combine the latest credit data and collection information with advanced analytics, robust decisioning and sophisticated workflow tools to help you manage expenses, improve recovery rates and reduce write-offs.

Our Collections Management solutions also enable you to:

- Locate debtors faster - Telephone and cell phone account information helps to locate debtors earlier in the collections lifecycle, which can increase revenue while reducing data and labor costs.
- Improve the bottom line - Powerful analytics help you determine which debtors are most likely to pay and where to focus your efforts to recover more with less expense.
- Obtain greater insight - High quality data and decisioning tools give you the insight you need to make more informed decisions about how to optimize your collections process and work more effectively.

If you're a part of a collection agency looking to better prioritize, locate and collect outstanding debt, our solutions can be tailored to your varying business needs. Unlike other debt recover solutions, our Collection Management services are specifically designed to address the issues in your industry utilizing special features geared toward collection professionals.

FYI - Information about Innovis

The credit report you don't know about

For many years, there were three national credit bureaus: Equifax, Experian and TransUnion. Add a fourth to the list: Innovis Data Solutions.

Unlike the Big Three credit bureaus, Innovis doesn't sell consumers' credit histories to creditors, insurers and potential employers. Innovis specializes in helping creditors compile mailing lists [referred to as a data product]. Adverse information on your Innovis credit report, accurate or not, could prevent you from getting favorable credit offers in the mail. Whether you think that's a good thing or a bad thing is up to you.

Innovis became a major player at the beginning of 2001, when mortgage financing titans Fannie Mae and Freddie Mac began requiring their mortgage servicers to report borrowers' payment histories to the Houston-based credit repository. Fannie Mae requires servicers to notify Innovis of delinquencies and foreclosures; Freddie Mac requires servicers to tell Innovis about every borrower's payment status, current or late.

The federal government reports to Innovis about individuals who are late with debt payments to the feds.

Innovis offers two products to creditors. FailSafe is a database containing names of consumers who are late or who have been late on debt payments.

"You can cleanse your pre-approved mailing lists before offers are printed and mailed," reducing cost and risk, Innovis's Web site boasts. "One last screening against FailSafe will safely eliminate the undesirable names prior to your mail date."

The other product, called New Movers, is a monthly list of people who have reported a change of address. If you got a torrent of unsolicited commercial mail after your most recent move, it is because of lists such as New Movers.

Ask consumer advocates and privacy experts what they know about Innovis, and they'll tell you that they have heard of it and are curious about the company, but don't know much about it. Innovis is an affiliate of CBC Companies, a closely held business based in Columbus, Ohio, that operates a network of local credit bureaus, runs a nationwide collection agency, and screens employees for other businesses.

CBC executive Jonathan Price declined to comment about the company. He said he might be willing to answer questions after the first of the year, but that he won't have anything new to announce then.

The Innovis Web site does not provide an address for consumers to request a copy of their Innovis credit report. Instead, it advises consumers to "contact your local Credit Bureau." Under the Fair Credit Reporting Act, consumers should be able to request copies of their credit reports from Innovis and to dispute any mistakes they find in it.

- **Holden Lewis • Bankrate.com**

FYI – Legal basis: the FCRA

Overly quoted but equally underutilized, the FCRA regulates how credit reporting agencies treat consumers. Before this law was enacted and fully implemented in the early 1970s, such bureaus were essentially unregulated and could do just about whatever they wanted.

During the pre-FCRA days, for example, one of the nation's oldest credit bureaus routinely contracted with commercial "greeters," whose representatives would knock on a new neighbor's door, make careful notes about their ethnicity, whether anyone smelled of alcohol, whether the family appeared sufficiently employed, subjective notes about perceived stability, and other such things. Following a hearty welcome, a quicker goodbye, and a basket of coupons, such greeters would then write up a little report and send it back to the grand old company.

Needless to say, such methods were outlawed by the FCRA, and race, religion, and subjective personal observations could no longer be included within ones credit bureau file. Moreover, consumers were finally allowed access to their credit reports, which up until the FCRA was enacted, were practically never disclosed to ordinary citizens who might otherwise suffer financial consequences for decades due to incorrect and unfair information within those secret files. (excerpt) - [Randy Padawer, Ph.D.](#)

Sources for related information

Laws and Regulations

- Fair Credit Reporting Act, as amended by FACTA, www.ftc.gov/os/statutes/031224fcra.pdf
- FTC's final regulations about free credit and specialty consumer reports, www.ftc.gov/os/2004/06/040624factafreeannualfrn.pdf
- California Investigative Consumer Reporting Agencies Act, CA Civil Code 1786 et seq. www.leginfo.ca.gov

Federal Trade Commission Publications

- *Obligations of Furnishers of Information under the FCRA* www.ftc.gov/os/2004/11/041119factaappg.pdf
- *Obligations of Users of Information under the FCRA* www.ftc.gov/os/2004/11/041119factaapph.pdf
- *Consumer Reports: What Insurers Need to Know* www.ftc.gov/bcp/edu/pubs/business/credit/bus07.shtm
- *Credit Reports: What Information Providers Need to Know* www.ftc.gov/bcp/edu/pubs/business/credit/bus33.shtm
- *Using Consumer Reports: What Employers Need to Know* www.ftc.gov/bcp/edu/pubs/business/credit/bus08.shtm

- *Using Consumer Reports: What Landlords Need to Know*
www.ftc.gov/bcp/edu/pubs/business/credit/bus49.shtm

Privacy Rights Clearinghouse Publications

- Fact Sheet 6. *How Private Is My Credit Report?*
www.privacyrights.org/fs/fs6-crtd.htm
- Fact Sheet 6a. *FACTA, the Fair and Accurate Credit Transactions Act: Consumers Win Some, Lose Some*
www.privacyrights.org/fs/fs6a-facta.htm
- Fact Sheet 8. *How Private Is My Medical Information?*
www.privacyrights.org/fs/fs8-med.htm
- Fact Sheet 16. *Employment Background Checks: A Jobseeker's Guide*
www.privacyrights.org/fs/fs16-bck.htm
- Fact Sheet 16a. *Employment Background Checks in California: New Focus on Accuracy*
www.privacyrights.org/fs/fs16a-califbck.htm
- Fact Sheet 26. *CLUE and You: How Insurers Size You Up*
www.privacyrights.org/fs/fs26-CLUE.htm