



What's Lurking in Your Client's Credit File?

By Tom Diller

A few months ago, I wrote an article about Merchants Information Solutions' new bundling of sophisticated tools designed to uncover errors and outdated items in your client's credit file. Since then, the number of questions I've received about how errors in credit files create approval issues have had my phone ringing off the hook.

Just how common are mistakes on a credit file? According to a report by the US Public Interest Research Group titled, "Mistakes Do Happen: A Look at Errors in Consumer Credit Reports, 79% of credit reports examined in a survey contained either serious errors or other mistakes serious enough to cause you to be denied credit."

Here are several common reasons for mistakes:

- Error made in entering or reading information from a handwritten application.
- Common name mix-up; the wrong John Smith's information may appear in "your" John Smith's credit file.
- Incorrect Social Security number.
- Loan or credit card payment inadvertently applied to the wrong account.

These mistakes directly impact a consumer's credit score. A credit score error can affect matters like loan rates, insurance premiums, and employment. The best-known credit score, and one with the most impact, is the FICO score. Properly managing the "FICO impact" can save your client money. It is crucial to advise clients regarding credit report errors and encourage them to take action. At Merchants we have four tools available to help you achieve this:

- Detective – Instantly identifies incorrect, missing and outdated information by comparing all three bureaus when you pull a tri-merge.
- Essentials – Reveals true client credit quality, how it compares to others, and which positive and negative factors are impacting their credit.
- What-If Simulator – Illustrates a likely outcome if a client takes a specific action.
- FCRA Bilingual Certified Representative – A knowledgeable professional utilizes all the tools for you to ensure all errors are handled, and then refers them back to you.

Use the Detective tool alone to secure 10-20 points, or utilize our full-service approach if more points are needed. You'll be able to positively impact your client's life and your business in little time, for a little cost (tools cost as little as \$6).

Merchants is ready to help you resolve these issues. We all know how important credit scores are to almost every aspect of the mortgage business. Now, you can make sure they are as much in your client's favor – and your favor – as possible. For more information about Merchants mortgage solutions, contact Tom Diller at 602 744-3727.