



PRODUCT FACT SHEET

## Rapid Rescore Services Credit File Corrections at All Three Repositories Accurate Credit Scores in 72 hours or Less

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### SUMMARY

Here are two things every loan officer and borrower should know about Credit Scores:

**A National Credit Reporting Association study discovered more than 80% of repository credit files contain errors, and most of those errors reduce the FICO score.**

**At 7%, the monthly payment on a \$100,000 loan is \$65 more than at 6%. That's 11% more, every month, for 360 months. And the boost gets worse as interest rates rise.**

Every day borrowers choose between paying a higher interest rate and paying a few dollars to correct their credit files. Once they understand the alternatives, the choice is simple.

Of course, consumers can personally notify the repository, but the process is slow – 30 days if every is done right the first time, and as long as 90 days if there are problems. If you are qualifying for a new mortgage loan, you just can't wait that long.

With 1 Source Data's Rapid Rescore services, our customer service people work directly with the repositories to get corrections made. Usually, the corrected credit report is ready to pull in 72 hours or less.

Since the corrected credit score is usually higher, more applicants can qualify for your best loan products. In today's market, maximizing a client's credit score can make the difference losing a customer and closing the loan.

### BACKGROUND

The Fair Credit Reporting Act (FCRA) defines the process for consumers to dispute inaccurate information with the repositories. On paper, repositories are directed to investigate the consumer's disputed items, by receiving and examining the consumer's evidence, then presenting it directly to the credit issuer.

The credit issuer must review the evidence and report its findings. When the credit issuer confirms the information is inaccurate, the issuer must notify all the repositories to correct the tradeline or delete it altogether. Then the repositories will notify the consumer.

Unfortunately, this system is not yet completely computerized. Most notification is done by standard mail, so all this takes time. When everything goes smoothly the investigation takes roughly 30 days, and written notification can take another two weeks.

When consumers submit incomplete information, or when the credit issuer has contradictory evidence, the process can take longer.

## **RAPID RESCORE SERVICES**

Because credit scores have such an impact on the quality and cost of mortgage loans, repositories have established the Bureau Direct Process. The service is commonly known as **Rapid Rescore**.

Rapid Rescore is available only to mortgage loan originators through approved credit reporting agents, like 1 Source Data. We can get errors corrected as little as 3 business days by working directly with the repositories.

The repositories require clear, concise documentation. The data required is very specific.

- ▲ A Letter on the credit issuer's letterhead, stating the following
  - The account number
  - The applicant's name
  - Exactly how the entry is to be modified, or deleted, and
  - The account's last activity date
  
- ▲ When appropriate, include copies of the following:
  - A release from a judgment or lien
  - A Quick-Claim deed transfer
  - A statement of a paid collection account, with the account number and paid date
  - Any other legal document that supports the borrower's claim

The next step is fax all this documentation to 1 Source Data, along with a **Rapid Rescore Request form** (see attached document). We review the material for accuracy and completeness; we may confirm the information with the credit issuer, and we will contact the requesting loan originator if we feel the documentation is incomplete.

When our review is done we forward the documents to the correct repository, along with summary information, including a general description of the dispute, the consumer's full name, primary address, and social security number. Usually all this happens on the same business-day.

After a day we begin to follow-up with the repository, so the loan originator can learn as soon as possible that a correction has been completed. When 1 Source Data confirms the change has been made at the repository we will notify the broker that the changes are made and that it is okay to run a new credit report that will reflect an accurate score for the applicant.

## **WHEN TO USE RAPID RESCORE**

- ▲ Anytime incorrect data can stop the closing of a loan
- ▲ Bankruptcy accounts reported as Charge Off, Outstanding Balance, or Past Due
- ▲ Accounts shown included in Bankruptcy, and shown late after discharge
- ▲ Account shows late, but can be proved current
- ▲ Closed accounts reported as open with a balance
- ▲ Tax liens not released, or duplicate reports
- ▲ Incorrect reporting of a judgment not being satisfied.

## **WHEN NOT TO USE RAPID RESCORE**

These actions may actually reduce a credit score:

- ▲ Updating liens or collections that were recently released
- ▲ Liens released more than 2 years ago
- ▲ Charge-offs included in bankruptcy more than 2 years old

## **SUMMARY**

Every day, 1 Source Data puts its 20 years of experience to work to make the Loan Officer's job a little easier.

We provide clear, concise credit reports; score improvement analysis with Credit Analyzer; and Rapid Rescore services that save you time, and help you close more loans.

For help with Rapid Rescore or any of our credit, origination, funding or transaction solutions, contact our Customer Service Department at (800) 922-1301.

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## Rapid Resolve Request Form

Borrower Name(s)

File number

Company Name

Requested by

Phone number

E-mail Address

You will be notified by e-mail upon completion of update

### Accounts to be Updated

Creditor Name

Account Number

Check all that apply:  Borrower  Co-borrower  Trans Union  Experian  Equifax

update balance  delete late(s)  in bankruptcy  not their account

other \_\_\_\_\_

Creditor Name

Account Number

Check all that apply:  Borrower  Co-borrower  Trans Union  Experian  Equifax

update balance  delete late(s)  in bankruptcy  not their account

other \_\_\_\_\_

Creditor Name

Account Number

Check all that apply:  Borrower  Co-borrower  Trans Union  Experian  Equifax

update balance  delete late(s)  in bankruptcy  not their account

other \_\_\_\_\_

**\*\*Updating to show collections, public records, or installment loans paid can lower the score\*\***

I understand 1SourceData does not guarantee the outcome of the scores.

**The fee for a Rapid Resolve per person is \$25 per Bureau per Tradeline.**

**If the letter submitted is not accepted by the Bureaus or an investigation is started the fees still apply. If the borrower has submitted a dispute with the Bureaus, 1 Source Data is locked out of their file. I understand a new file must be pulled in order to obtain the updated credit report.**

Signature

Date

**Fax form along with letters to 760-585-1380** (Bureau may require borrower's signature)

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