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Create Finance



Credit Report Training

Credit Reports

- When we get new client in credit reports are a great way of assessing their financial situation to help with placing their case to lenders.
- They identify if the client has had any adverse issues in the past i.e. defaults IVA's CCJ's or missed payments and how much debt the client has. Each of these will have an impact on which lender they can go to, how much they can borrow and the type of mortgage which would be best for them.
- A credit report must always be uploaded to mortgage keeper is the client either has adverse credit or the purpose of their mortgage is for debt consolidation.
- The credit report is also useful for finding out basic information like the clients full name and their address history.
- All credit is listed on the credit report for 6 years after the account is closed

Basics of a Credit Report

- A credit report is great for filling out the 'Credit Commitments' Page of the fact find. It will show you all of the clients active credit accounts, this includes; Credit Cards, Store Cards, Loans, HP's, Mortgages, Utilities, Communications etc. Remember, when filling out the credit commitments page we don't include telecoms, mortgages or utilities.
- The credit report will show you when the agreement was taken out, how much the client owes, what their monthly payment is and who the agreement is with. You can also see details of missed payments and the status of the account (up-to-date, settled, default)
- You must make sure all credit on the credit report is shown on the fact find.

What to Look for on a Credit Report

- O There is so much you can pick up from assessing a credit report, but when your broker asks you to assess one there are several details which you need to pass over. The main thing you are looking for is if the client has had any adverse.
- Missed Payments
- Defaults
- CCJ's
- Arrangements

This is how each agreement will look on the credit report

Everything you need to know about the account will be shown here.
You need to assess not only if this needs to go on the fact find but if any of the details need reporting to the broker (is there any adverse)

Account: MONEYBARN Updated: 03/09/2017 Entry number: C10 Name: MR PETER FELTWELL **Current Status:** Active Account Started: 14/07/2016 Type: Hire Purchase / Date of Birth: 30/12/1978 Address: 173 CHELMSFORD ROAD, BRENTWOOD, SHENFIELD, CM15 Conditional Sale 8SA Balance: £18,881 Payment terms: £401 x 60 months Key Account is 'default' Payment up to date U Unknown 6 Late payments D No info Dormant Account Status Details (1-12 months): ▼ Last updated: 03/09/2017 **Status** 0 0 0 0 0 0 0 0 0 Balance (£) 18881 19283 19684 20086 20086 20889 20889 21693 22095 22496 22898 23300 Account Status Details (13-24 months): **Status** 0 Balance (£) 23702 23702

Main Information

Account: MONEYBARN

Name: MR PETER FELTWELL Date of Birth: 30/12/1978

Address: 173 CHELMSFORD ROAD, BRENTWOOD, SHENFIELD, CM15

8SA

Updated: 03/09/2017 Current Status: Active

Type: Hire Purchase /

Conditional Sale **Balance:** £18.881

Payment terms: £401 x 60

months

Entry number: C10

Account Started: 14/07/2016

This final section identifies when the agreement was taken out.

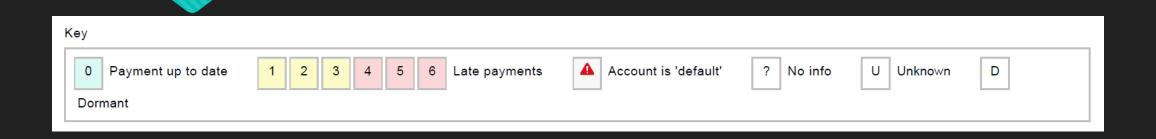
This first section shows who the agreement is with/the lender and the details of the borrower (client)

The middle section shows the finance information i.e the outstanding balance, monthly payment, term remailing, the type of agreement and the status.

Unless the status is 'settled' it must go in mortgage keeper

This is the main section you will need to assess when looking at the credit report as it will provide you with everything you need to know about this individual account.

How to Understand what a Credit Report is Showing



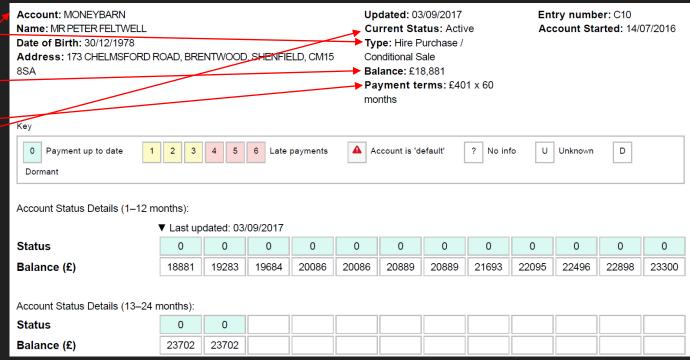
Each credit report will have a 'key' as shown above, this will help you to read the credit report and understand the information it is giving you. All credit agency's will set their reports out differently so this key makes it easier to adapt to the format and ensure your reading the information correctly.

It is important to look at the sections for late (missed) payments to ensure you get a note of the correct status.

Assessing Credit Reports

When assessing different accounts its easier to make a note of each active account in a table like format for your broker so they can assess all the credit. See below the main details you need to pick up from each account. This account has no adverse.



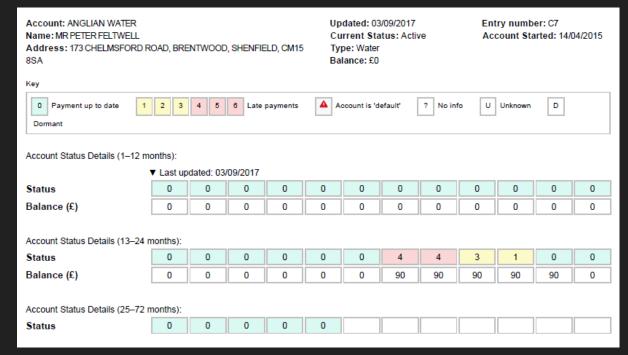


Missed Payments

- O If you look at the account here you can see that there is a difference to the Hire Purchase we just looked at.
- Using the Key we can see that this account reached a status 1 in March 2016 through to a status 4 in June 2016.
- This account has then gone back to active/up to date as the client has repaid the missed payments.

If you were to write down the following for the broker you would not it as follows;

Type – Water Bill
Balance - NA
Payment - NA
Status – Active
Lender – Anglian Water
This account reached a status 1 in March 2016 through to a status 4 in June 2016 this was then paid off by July 2016 and the account is now up to date



NOTE – this account wouldn't go or MK as it is a utility

Defaults

A Default follows on from a missed payment. If the clients account goes further than a status 6 it will then be classed as a default.

On this screenshot there are two indicators that the account is in default

Type – Hire Purchase
Balance - £2188
Payment - NA
Status – Default
Lender – Cabot Credit

Updated: 03/09/2017
Current Status Default
Type: Hire Purchase /

Conditional Sale Balance: £2,188 When you notice a default you must note down the following details for the broker as they will all impact the mortgage;

Default date – 12/2016 Default Amount - £6672 Current Balance - £2188 End date - NA Account: CABOT CREDIT MANAGEMENT GROUP LIMITED Updated: 03/09/2017 Entry number: C3 Name: MR PETER FELTWELL Current Status: Default Account Started: 08/10/2011 Date of Birth: 30/12/1978 Type: Hire Purchase / Address: 173 CHELSMFORD ROAD, BRENTWOOD, CM15 8SA Conditional Sale Balance: £2,188 Default Details Default Date: 17/05/2012 Default Balance: £6672 Key 0 Payment up to date Account is 'default' D 2 3 4 5 6 Late payments U Unknown Dormant Account Status Details (1-12 months): ▼ Last updated: 03/09/2017 Status 8 8 Balance (£) 2188 2188 2188 2188 2188 2188 2188 2188 2188 2188 2188 2188 Account Status Details (13-24 months): 8 Status 6672 Balance (£)

,	▼ Last updated: 03/09/2017												
Status	8	8	8	8	8	8	8	8	8	8	8	8	
Balance (£)	2188	2188	2188	2188	2188	2188	2188	2188	2188	2188	2188	2188	

Defaults & Missed Payments

- O You must make your broker aware of all defaults & missed payments on all accounts whether they are active or not as they may impact the application.
- Make sure you make a note of the highest status the account reached.
- Always note down the date of the missed payments and when the default was entered/cleared.

Other things you can see on a Credit Report

• At the bottom of the credit report there is a section where you can see if the client has every had any CCJ's, IVA's or been made bankrupt. Same as the defaults they must be noted down and passed on to your broker.

Type – CCJ
Date Registered – 25/06/2013
Amount - £530.00
Date satisfied – 19/03/2014

CCJ's will stay on your credit report for 6 years after the satisfied date.

Some reports will provide details of the account (lender and type) so note them down if you can.

Bankruptcy, County Court Judgments, and IVA information

This section of your report includes any court judgments, debt relief orders, bankruptcies, individual voluntary arrangements, or other similar public record.

1 Record Found

Entry number: J1

Name: MISS LARA MAVRO-MICHAELIS

Address: 25 BURNHAM LANE, ULCEBY, THORNTON CURTIS, DN39

6XH

Court: NORTHAMPTON COUNTY COURT

Case number: 3XP18498

Amount: £530.00

Information source: Registry Trust Ltd

Record Details

Date: 25/06/2013

Information type: Satisfied Judgment

Note: Satisfied judgments are automatically removed from your report

after six years.

Satisfied: 19/03/2014

Other things you can see on a Credit Report

- As mentioned before you can used the credit report to fill out the first section of the fact find.
- On this screen shot you can see the clients full name, date of birth, current and previous addressed with the dates they moved in/out.
- All credit reports will include this information so check here before quizzing your client or broker!

Your Profile Information

Personal Information

Name: Mr PETER ALEXANDER Date of birth: 30/12/1978

FELTWELL

Addresses

Period: Sep 2015 - Current

Address: 173 CHELMSFORD ROAD, BRENTWOOD, Shenfield, ESSEX, CM15 8SA

Period: Mar 2015 - Sep 2015

Address: 36 ASHINGDON ROAD, ROCHFORD, ESSEX, SS4 1NJ

Period: May 2013 – Mar 2015

Address: QUARTERBRIDGE HOUSE, QUARTERBRIDGE ROAD, ISLE OF MAN, Douglas, IM2 3RL

Period: Jun 2012 - May 2013

Address: BALLAMEANAGH MOOR FARM, BALLAMENAGH ROAD, ISLE OF MAN, BALDRINE, IM4 6AJ

Period: Sep 2009 - Jun 2012

Address: 25 BURNHAM LANE, ULCEBY, Thornton Curtis, DN39 6XH