



## ARC Confidential - October 2014

***Credit Report Disclosures Findings – approximately 36% of Risk Based Pricing and Notice to Home Loan Applicants may not be received by borrowers***

Based on a two month study of credit report data – over 1/3<sup>rd</sup> of credit disclosure mailings may never reach their target - the borrower. Below is a breakdown of the most common errors found in our study–

<b>Address Error</b>	<b>Occurrence</b>
Incorrect City/State	1.1%
Incorrect Street	6.8%
Incorrect Zip Code	17.7%
Address not Found	5.2%
Address missing info	4.8%
Multiple Errors	0.2%

The study looked at borrower and co-borrower address information entered during the June/July 2014 timeframe by our clients. The “occurrence” in the table shows the percentage of credit reports pulled in the June/July timeframe that had some form of address error.

All of the “occurrences” listed, required some additional steps to deliver the disclosure to the borrower; whether it involves contacting the loan officer, contacting the borrower, searching other loan documents, or searching the web.

Along with the GFE, initial TIL and several other disclosures, credit disclosures (RBP and NTHLA) should be sent within 3 days from when the credit report was

ordered.

### ***Can ARC Help?***

Yes – ARC provides a documented process of sending credit disclosures out to your borrowers. Not only does ARC send out your standard RBP and NTHLA disclosure mailing service, we document the process by providing you a monthly compliance report at a transactional level. In this new lending/compliance environment not only does one need to provide the service, one needs to prove the service has been accomplished.

Additionally ARC's disclosure mailing service can be customized to each client's compliance needs to address disclosure errors without any additional effort on the part of the client. Many of the address errors listed above would be avoided with ARC's disclosure mailing service.

#### **Customized features include –**

- Validation and standardized address verification
- Alternative address verification
- Customized Cover Letter Option
- Incomplete address processing

The cost of ARC's mailing services can be billed in a variety of options, including being part of the cost of the credit report. We hope this study provides some helpful information on how to improve your disclosure mailing service while staying compliant.

For more information on ARC's Custom Disclosure Mailing Services please contact your sales representative, or click on the following [link](#) for more information about this product and any other product ARC offers.