RMEX Credit Reporting

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Quantrax Corp.

Contents

OVERVIEW

Introduction

RMEX will enable you to report accounts to Equifax, Experian, Trans Union and/or Innovis using the Metro2 format. RMEX allows you 3 reporting types – Exception, Balance, and All. Currently ALL is the industry standard. See help for other types.

- **All Account Reporting** - Where once reported, an account will be reported with every file run until Paid In-Full or withdrawn by the client. RECOMMENDED

Eligibility

For an account to initially qualify to be credit reported it must meet certain criteria guidelines as directed by the Credit bureaus and meet RMEX eligibility requirements as well. Below is a list of eligibility requirements that the account must pass in order to be selected for credit reporting:

- Client master must be set up to allow credit reporting
- The age between last transaction date and placement date must be a minimum of 30 unless the client is set up as a "bad check client". There is a feature on page 7 of the client setup to override this rule.
- Account will not initially report if it is paid in full, has a withdrawn or stop description code or closed with an inactive close
- Account will not initially report if the Credit reporting flag is set to "Do not report"
- You can set up minimum balances to report
- You can stop an account from reporting to the bureau based on the consumer's state
- You can stop an account from reporting to the bureau using specific user-defined description codes
- Account must have either a consumer SS# or DOB
- Consumer should not be a minor
- Non-medical debts placement date must be outside of the credit reporting delay date (Contact series) and Medical debts date of first delinquency or last transaction date must be outside of the 501r Regulation date for reporting rules

501r Regulations

501r Regulations for reporting Medical debt to the bureaus – Even though the credit bureau's rule is "Do not report Medical debts until they are at least 180 days past the Date of first delinquency", the 501r Regulations state "You must report Medical debts in the following manner":

- <u>Non-profit</u> facilities can credit report no sooner than 250 days past the Date of first delinquency
- <u>For profit</u> facilities can credit report no sooner than 180 days past the Date of first delinquency.
- RMEx controls this based on page 4 of the Client master, field - CCT code.
  - CCT code 02 = 180 days (for profit) and
  - CCT code A2 = 250 days (non-profit)
- We recommend you set up the proper CCT code as the CCT will control the reporting of Medical accounts as outlined by the 501r Regulations. If the field is "blank" on the client master, the system will use the client type "M" to determine the CCT and default to 180 days.

GETTING READY - SETUP INSTRUCTIONS

- Contact the Credit bureau and set up an account with them. They will furnish you with your ID numbers.
- If you are reporting for the first time you will have to decide which accounts should be reported. As an example you may decide that you only wish to report accounts placed after January 1, 2012.
- You will also have to decide if all clients will be reported. On the client master, there is a flag which determines if accounts for this client are reported or not. Once you have made these decisions, contact your support representative. A one-time program will probably be required to prepare for the first time you will be reporting.
- If you have reported previously, the conversion should have taken care of accounts which were sent to the Credit Bureau and no other programming will be required.
- Set up the client master Credit Reporting flag.
- It is assumed that accounts will be reported for a client. Using the credit reporting flag on the client master, you can stop accounts from being reported, report based on the credit reporting system control file or report based on the credit reporting system control file but ignore the minimum balance defined in the credit reporting system control file. You can also omit this client from being included in a specific credit bureau file.

Setting up the Clients

Management Menu > Client Update

e) Set up the System Control file for Credit Reporting. You will need some information from the Credit Bureau.

Setting up the System Control

System Control Menu (2) > Credit reporting > New Credit Reporting (New Metro2 unpacked Standard format)

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RMEx    QUANTRAX CORPORATION INC.                                    Chat

                                                              EXIT

                        Metro2 Credit Reporting


        Company name   Quantrax Collection Enterprises


                        Agency/Program identifier      Identification number
        1) Equifax          [        ]                    [          ]
        2) Experian         [        ]                    [          ]
        3) Trans Union      [        ]                    [          ]
        4) Innovis          [        ]                    [          ]


        Create 1 file per credit reporting agency(Y) [ ]    Minimum to report    [    .00]
        Type of credit reporting(B,A) [ ]   (Leave blank for exception reporting, "B" for
        balance reporting, "A" to select ALL)


        Bankruptcy and disputes based on the following description codes:
               Report as bankruptcy chapter 7              [ ]
               Report as bankruptcy chapter 11             [ ]
               Report as bankruptcy chapter 12             [ ]
               Report as bankruptcy chapter 13             [ ]
               Remove as bankruptcy status                 [ ]
               Report as disputed by consumer              [ ]
               Report as dispute resolved                  [ ]
               Report bankruptcy as discharged             [ ]
        [ F7-Exit ]    [ Enter-To Continue ]
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RMEx    QUANTRAX CORPORATION INC.                                    Chat

                                                              EXIT

                        Metro2 Credit Reporting


        Company name     Quantrax Collection Enterprises

        Description codes that will report as withdrawn      [ ][ ]

        Only report as new if account is closed (Y)        [ ]
        Include or omit (I,O)      [ ]    (Default is "I" for include)
        Close codes         [                        ]      (Up to 35 close codes)
         ("**" to select all closes except inactive balances for new reporting)

        Description codes to stop accounts from being reported in the future
        [ ][ ][ ][ ][ ][ ][ ][ ] [ ][ ][ ][ ][ ]

        Include the following balance types as part of the credit reporting amount
        (I,0-9)  [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ]

        Close codes that should report as settled in full      [ ][ ][ ][ ][ ]
        Description code for credit grantor cannot locate consumer   [ ]
        Description code for consumer now located            [ ]
        Report as fraud status     [ ]        Report as disaster area    [ ]
        Report minors? (N=No)      [ ]

        [ F1-Previous Screen ]      [ F7-Exit ]    [ Enter-To Update Information ]
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- To activate a credit bureau enter the ID numbers provided to you by the credit bureau
- Normally RMEX produces 1 file that you can send to each agency. However, there is a field that can be used to produce up to 4 files (1 file for each agency).
- You can define a minimum balance required to be credit reported
- Select the type of reporting
- Assign the description codes you have defined as disputes and bankruptcies
- Assign the description codes you have defined to be withdrawn (removed) from the credit bureau. Only applies to accounts that have been previously reported **and** will appear in the next Credit Reporting file
- Some agencies only report an account to the credit bureau when it has been closed. We allow you to do this and assign up to 35 active close codes or all active close codes
- Assign the description codes you have defined to stop accounts from being reported in the future (accounts that have not yet been reported and should not be based on certain circumstances). This feature is considered permanent since it can NOT be re-reported by just removing the description code - Only applies to accounts that have NEVER been reported, sets the credit bureau flag to "Do Not Report" and account can ONLY be reported in the future using the Smart Code feature "Credit report as new account"
- You can indicate additional balance types to be included with the primary balance when the accounts are reported
- Assign close codes that should report as settled in full to the credit bureau
- Assign the description code for credit grantor cannot locate consumer
- Assign the description code for consumer now located
- Assign the description code to Report as fraud status

f) If there are special conditions under which an account should not be reported (e.g. Promise to pay, disputed etc.) this can be accomplished by setting up special description codes which will stop an account from being selected for credit reporting. These description codes must be defined in the System Control file called System Parameters.

Setting up the System Parameters (temporary holds)
System Control Menu > System Parameters

This feature is considered temporary (like a hold) since it can be re-reported by just removing the description code - Only applies to accounts that have NEVER been reported, credit reporting flag stays as "New-Pending" and account will report on the next run ONLY if the description code is removed

g) There is an option to stop Credit Reporting based on the debtor's state.
This option applies at the time an account is placed. Changing the state after the account is placed will not stop an account from being Credit Reported. (In these cases, it may be possible to instruct your bureau to omit accounts which do not belong to specific states.)

Controlling Credit Reporting at the State Level

System Control Menu (2) > State Options

h) Credit Reporting will require an ending placement date for the selection of accounts to be reported (when you run the option to create the file). This allows you to wait a certain period before reporting a new account. (e.g. At the end of November you could run the option for placements up to October 31st, which means you are waiting 30 days before an account is reported.) If specific clients need a longer wait before reporting, you can use an option called "Credit Reporting Delay" on the Contact Series Definition System Control file. On this System Control file, if 15 days was specified as a delay, an account placed on October 17th would only be eligible to be reported when a placement period including November 1st was selected. (October 17th plus 15 days) The next screen shows you this option on the Contact Series Definition.

System Control Menu – Contact Series Definition

i) Run a test file and send it to the credit bureau.

TO REPORT AN ACCOUNT THAT HAS HAD A STOP REPORTING DESCRIPTION CODE PLACED ON IT:
If the description code that was placed on the account is defined on the System Control – System Parameters option all you need to do is remove the description code.
If the description code that was placed on the account is defined on the System Control Menu (2) - Metro2 Format option you will need to apply a Smart Code to the account using the Smart Code field Credit report as new account (Y).

TO REPORT AN ACCOUNT THAT HAS HAD A WITHDRAWN REPORTING DESCRIPTION CODE PLACED ON IT:
If the description code that was placed on the account is defined on the System Control Menu (2) - Metro2 Format option you will need to apply a Smart Code to the account using the Smart Code field Credit report as new account (Y).
NOTE: Accounts with an inactive close code cannot be reported.

Creating the Metro2 File

Periodic Reports Menu > Credit Reporting File Creation

Menu Options

1. TEST FILE creation (Metro2 unpacked character format) – This function creates a test Metro2 file. This file will be identical to a live file, but will not update the accounts. This should be used during your implementation to create test files for the bureaus. It can also be used for troubleshooting at any time.

2. LIVE FILE creation (Metro2 unpacked character format) – This function will create your live file and update all the accounts in the system. This should never be used during testing.

3. PROCESSING HISTORY LOG for Metro2 credit reporting. This function will display a history of test and live files.

Creating the File

- When creating a live or test file, you will be asked to confirm that this what you want to do – select Y.
- Next you will be reminded that you are about to overwrite the previous file. In the case of a LIVE FILE, as long as you have already transmitted the previous file to the bureaus, you are okay to proceed.
- Next you will be asked to enter the last date for placements and payments. Generally, you will use yesterday's date for both of these. Please read the help if you want to change this.

FTP the file

You will need to FTP this file to your FTP server. The file name is determined by which option you have selected under "Create 1 file per Credit Reporting" in SYSTEM CONTROL 2> CREDIT REPORTING referenced in the setup section. Please read the help within RMEX for a full listing of these file names.

After An Account Has Been Reported:

1. Account will continue to appear in the credit reporting file
2. Account status will change based on various description codes and close codes
3. Accounts with an inactive close code will "withdraw" from the credit bureau
4. You can also "withdraw" an account from the bureau using specific user-defined description codes
5. Accounts that become PIF will report for 90 consecutive days

Credit Reporting Flags

Appear on Account Detail Screen and F10 screen

- Blank = New on xx/xx/xx (not yet reported to the credit bureau - the xx/xx/xx = the eligibility date)
- 1 = Reported-NEW (has been reported to the credit bureau)
- 2 = Reported-PIF (has been reported to the credit bureau as a PIF)
- 3 = Reported-WDRAWN (has been reported to the credit bureau as withdrawn based on an inactive close code or specified description code)
- 4 = Do not report (has never been reported and is not eligible to be reported)

Disputed Accounts – Notes and Compliance Conditions

- If the note on the account is "credit reporting - DISP" it means that only the Metro2 system control option "report as disputed by consumer" description code exists on the account. When credit reporting is ran, the file will contain the Compliance condition code of XB = account information disputed by consumer
- If the note on the account is "credit reporting - R/DISP" it means that only the Metro2 system control option "report as dispute resolved" description code exists on the account. When credit reporting is ran, the file will contain the Compliance condition code of XR = debt has been validated - debtor owes money which will remove the most recently reported compliance condition code
- If the note on the account is "credit reporting - C/DISP" it means that both the Metro2 system control options "report as disputed by consumer" and the "report as dispute resolved" description codes exists on the account. When credit reporting is ran the file will contain the Compliance condition code of XC = completed investigation of FCRA dispute — consumer disagrees.

Disaster Reporting

In times of disaster you can flag accounts to be credit reported as such. On Page 2 of credit reporting options, the following function exists:

Report as disaster area ___

Enter the description code that must exist on the account in order for the account to be reported to the Credit Bureau with a Special Comment Code of "AW=Affected by Natural or Declared Disaster".

As of April 2020, we are adding a note to the account when this option used. Credit Reporting Notes List.

Credit Reporting Notes List

- Credit Reporting - NEW
- Credit Reporting - PIF
- Credit Reported-WITHDRAWN
- Credit Reporting - CHP13
- Credit Reporting - CHP07
- Credit Reporting - CHP11
- Credit Reporting - CHP12
- Credit Reporting - R/BANK
- Credit Reporting - DISP
- Credit Reporting - R/DISP
- Credit Reporting -BALANCE
- Credit Reporting - ALL
- Credit Reporting - SIF
- Credit Reporting -SPECIAL
- Credit Reporting - FRAUD
- Credit Reporting - C/DISP
- FCRA-7 yr STOP Credit Rep
- Credit reporting – DISASTER (new april 2020)

FREQUENTLY ASKED QUESTIONS

Why has an account not been reported?

- Is the account eligible to be reported based on the credit reporting parameter "type of credit reporting (B, A, blank)" (system control menu 2 – credit reporting)
- Check the contact series field "credit reporting delay" (system control menu - contact series definition), to determine if the account is eligible for reporting (credit reporting eligibility date)
- Compare the contact series field "credit reporting delay" (system control menu - contact series definition) with the credit reporting file creation field "last date for placements" and/or "last date for PIF's" (periodic report menu - credit reporting file creation) to determine if the account is eligible for reporting (see topic question - "determining the total credit reporting delay for an account")
- Compare the last transaction date and placement date on the account. If there is less than 30 days between the two dates the account will not report unless the client is set up as a bad check client or the client master field "bypass 30-day check for credit reporting-Y" has a "Y" in it
- Check to see if the account is closed inactive (accounts closed inactive are automatically reported as withdrawn when the next credit reporting file process is ran)
- If the account is paid in full and if it has never been reported, it will not report
- If the account has Do Not Report on the F10 screen, it will not report. See article "Account Needs to be Reported to the Credit Bureau but it is Flagged as "Do Not Report"" if the account needs to be reported
- Check the account to see if the placement amount is below the minimum balance that has been set up in the credit reporting parameters (system control menu 2 – credit reporting)
- Check to see if the state options have a "N" in the no credit reporting field
- Check to see if the credit reporting options for METRO2 format has an "O" in the "include or omit with close code" field (system control menu 2 – credit reporting)
- Check to see if there is a stop cred.reporting description code on the account (system control menu 2 – system parameters)
- Check to see if there is a description codes to stop accounts from being reported in the future on the account (system control menu 2 – credit reporting)
- Check to see if there is a description codes that will report as withdrawn on the account (system control menu 2 – credit reporting)
- Check to see if the Consumer is a minor and if the METRO2 System Control field "Report minors? (N=No)" is set to "N"
- Check the client master (management menu - client update) to see if the client is set up with a "N" in the credit reporting field
- Check to see if the account qualifies based on the information entered in the fields: Last date for placements or Last date for PIFs when the credit reporting file was processed
- If the client is a Medical client, check to see if account qualifies based on the CCT code "180/250 number of days" rules