



# Business Owner Profile

Make sound credit decisions about small-business owners

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Extending credit to small businesses can be risky. Don't take chances. Use Experian's Business Owner Profile and extend credit with confidence.

According to the Small Business Administration, there are about 30 million small businesses in the United States. Small businesses make up 99 percent of U.S. companies, and roughly 86 percent are sole proprietorships. Statistics show that 4 out of 5 new businesses fail in their first year, but that figure includes "failures" due to voluntary terminations and ownership changes. In fact, only 1 out of 5 businesses fails in its first three years strictly due to bad debt.

Many new and small businesses have yet to build a commercial credit history, so extending credit can be a risky proposition. Experian's Business Owner Profile can help you confidently approve loans for these businesses.

## U.S. consumer and commercial marketplace

Business Owner Profile combines Experian's expertise in consumer and business credit reporting to give you the most accurate, current and comprehensive business and proprietor credit information available. By using Business Owner Profile, you can avoid the high risk associated with small businesses while identifying good credit risks and uncovering new account opportunities.

It's fairly common for proprietors to leverage their personal assets to meet business obligations. If a proprietor takes out a home equity loan, that loan won't appear on a standard business credit report. But it will appear on a Business Owner Profile. As the distinction between a proprietor's business and personal finances continues to blur, understanding the risk associated with the complete financial portfolio becomes more important.

By using Business Owner Profile with any of our commercial credit reports, such as Business Premier Profile<sup>SM</sup>, you can better determine your customers' overall creditworthiness. Accessing both reports may lead you to alter your decision or adjust terms before granting credit.

With the help of Business Owner Profile, you can turn a small business into big profits.

- Business Owner Profile helps you expand your small-business customer base, which many economists have identified as a market for growth, and provides alternative consumer scores such as Scorex PLUS<sup>SM</sup>, VantageScore<sup>®</sup>, FICO<sup>®</sup> and FICO<sup>®</sup> NextGen.
- Fraud Shield<sup>SM</sup> launches a series of checks, searches and counters to screen every credit application. It instantly recognizes warning signs and critical discrepancies.
- Office of Foreign Assets Control (OFAC) Name Matching Service takes the consumer's name from the credit report inquiry and matches it against the OFAC name table.

Product sheet  
Business Owner Profile

Sample Business Owner Profile report

Business Owner Profile - John Consumer

Subcode: 567890      Ordered: 03/24/2016 15:31:09 CST  
Transaction Number: C123456789           Search Inquiry: John Consumer/999 Center Dr/Someville/TX/76401

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**Identifying Information**

John Consumer      SSN:      Employer: GREAT COMPANY  
999 CENTER DR SOMEVILLE, TX 76401-2105      YOB: 1958      Last Updated: 10/2012  
899 CN DR      SELF COMP      Last Updated: 04/2010  
SOMEVILLE, TX 76401  
123 TODD DR SOMEVILLE, TX 76401-6077

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**Executive Summary**

**Payment and Legal Filings Summary**

Legal Filings	4	Monthly payments:	\$556
Total legal filings:		Installment loan balance: (4)	\$17,022
Delinquent Payment Information		Revolving charge balance: (14)	\$2,592
Past due amount:	\$0	Revolving credit percent available:	44%
In dispute:	0	Real Estate loan balance:	N/A
Inquiries	6		
Total number of inquiries:	6		
Inquiries previous 6 months:	2		

**VantageScore® 3.0**

VantageScore® 3.0: 638

Risk Category	Score Range
Super Prime	781 - 850
Prime	681 - 780
Near Prime	601 - 680
Subprime	500 - 600
Deep Subprime	300 - 499

**Negative Score Factors**

- HERE IS A BANKRUPTCY ON YOUR CREDIT REPORT
- LACK OF SUFFICIENT CREDIT HISTORY
- TOO FEW OF YOUR BANK CARD OR OTHER REVOLVING ACCOUNTS HAVE HIGH LIMITS
- BALANCES ON BANKCARD/REVOLVING ACCTS TOO HIGH COMPARED TO CREDIT LIMITS

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**Trade Payment Status**

Oldest trade opened	04/1996
Paid trades	4
Satisfactory trades	11
Previously delinquent/derogatory	5
Presently delinquent/derogatory	2
Total trades	18

**Delinquency Detail**

11	1	0	0
Satisfactory	30 days past due	60 days past due	90+ days past due

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**Consumer Statement**

**Disputes and Supplemental Data Related to Transactional Information**

048 12-01-14 0000000 CONSUMER COMMENT TEXT PRESENT

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**OFAC Warning**

**OFAC Warning Summary**

NAME DOES NOT MATCH OFAC/PLCFSE LIST

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**Legal Filings**

**Bankruptcies**

Date Filed	Reference No	Court	Amount	Plaintiff	Status
11/21/2013	0580621 DSK	US BKPT CT TN MEMPHIS			Bankruptcy chapter 7-discharged
03/07/2012	2971358	US BKPT CT TN MEMPHIS			Bankruptcy Chapter 13-petition filed
10/13/2011	0214636	US BKPT CT TN MEMPHIS			Bankruptcy Chapter 13-petition filed

**Judgments**

Date Filed	Reference No	Court	Amount	Plaintiff	Status
11/01/2013	8965321	SHELBY GENERAL SESS CT	\$3,544	DILLARD NATIONAL BANK	Judgment

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**Inquiries**

**Inquiry Details**

Name	Account Type	Date of Inquiry
LOAN BANK	Unknown - Credit Extension, Review, Or Collection	09/28/2015
CREDIT CO	Unknown - Credit Extension, Review, Or Collection	09/21/2015
ORANGE BANK	Unknown - Credit Extension, Review, Or Collection	05/08/2015
123 BANK NA	Unknown - Credit Extension, Review, Or Collection	02/28/2015
COLLECT ASSOC	Collection Department/Agency/Attorney	06/03/2014
FACTUAL DATA	Real Estate Specific Type Unknown	01/28/2014

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**Trade Information**

**Trade Payment Experience**

Name	Revolving / Installment	Date Opened	Open / Closed	Balance / As of	Historical High Balance	Monthly Payment	Date of Last Payment	Amount Past Due
123 BANK USA N	Revolving	09/2008	Closed	03/15/2012	\$1,148			

Transactional Relationship: Individual  
Trade Category: Bank Credit Cards  
Payment Status: Debt included in or discharged through Bankruptcy Chapter 7, 11, or 12  
Special Comments: ACCOUNT CLOSED AT CREDIT GRANTOR'S REQUEST  
Payment Indicator (current month 03/2012): Collections, charge-off or bankruptcy

**24 Month Payment History**

Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
-	-	-	-	-	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C

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**Legend**

1 30 days past the due date	2 60 days past the due date	3 90 days past the due date
4 120 days past the due date	5 150 days past the due date	6 180 days past the due date
7 Chapter 13 Bankruptcy (Petitioned, Discharged, Reaffirmation of debt rescinded)	8 Foreclosure, voluntary surrender or repossession	9 Collections, charge-off or bankruptcy
10 Account condition change, payment code not applicable	11 Current	12 Current with zero balance - update received
13 Current account/Zero balance - no update	14 No history reported for that month	15 No history maintained; see payment status

- Proprietor identifying information**  
Name and home address of the proprietor including up to two previous addresses.
- Business information**  
Name of the proprietor's current employer (if he or she has other employment) and/or the proprietor's last employer.
- Summary of legal filings, payments and inquiries**  
Summary of the number of legal filings present, information payments and balances including delinquent payments and total number of inquiries.
- VantageScore® 3.0**  
VantageScore 3.0 is a highly predictive, consistent credit risk score that maintains its accuracy over extended time frames. Throughout the score's development process, the combined modeling strengths of the top three credit reporting companies (CRCs) were leveraged and patented modeling techniques were employed. Scores range from 300-850 where lower scores indicate higher risk.
- Summary of trade payments**  
Summary of the proprietor's trade experiences.
- Delinquency chart**  
Shows how many trades are current versus how many trades are 30+ days delinquent.
- Consumer statement**  
Disputes and supplemental data related to transactional information.
- Legal Filing**  
Legal actions filed against the proprietor, including tax liens, judgements and bankruptcies. May include filing date, amount, reference number, plaintiff, court name, status and comment.

### 9. Inquiries

All inquiries made on the proprietor within the past 24 months, plus the business category of the inquirer.

### 10. Trade Information

Each trade payment experience may include:

- Business category (bank, retail, etc.)
- Loan type
- Date the proprietor opened the account
- Date the proprietor closed the account
- Current balance on the account
- High balance on the account
- Scheduled monthly payment
- Date of the last payment on the account
- Amount past due
- Transaction relationship (individual, joint, co-maker)
- Status of the account  
(current, 30/60/90 days late, delinquent, etc.)

### 11. 24-month payment history

Graphical representation of payment history. The key for the numbers or letters in each box is at the end of the report.

### 12. 24-month payment history key

Key to understanding the numbers and letters in the 24-month payment history box. The key includes the following:

- 1 = 30 days past due
- 2 = 60 days past due
- 3 = 90 days past due
- 4 = 120 days past due
- 5 = 150 days past due
- 6 = 180 days past due
- 7 = Chapter 13 bankruptcy
- 8 = Foreclosure proceeding
- 9 = Collections, charge-off or bankruptcy
- B = Account condition change, payment code not applicable
- C = Current
- 0 = Current with zero balance — update received
- N = Current account/zero balance, no update received
- - = No history reported for that month
- Green blank = No history maintained

## Regulatory guidelines

### Using consumer credit information for business purposes

The Federal Fair Credit Reporting Act (FCRA) applies when a consumer credit reporting agency, such as Experian, furnishes information from its database on an individual business proprietor. The FCRA permits Experian to furnish such information to a person Experian has reason to believe intends to use the information in conjunction with a commercial credit transaction involving the consumer on whom the information is to be furnished and/or involving the extension of commercial credit to, review of or collection of an account of the consumer.

You may access a Business Owner Profile on the following:

- The owner of an unincorporated business
- General partners
- Individuals who have guaranteed, in writing, the business obligation
- Individuals who have provided you with written authorization approving your review of their personal credit history

## Business Owner Profile

### Regulatory guidelines (continued)

When a consumer statement appears on a credit record, Experian is required to return a Small Business Intelliscore<sup>SM</sup> in addition to the Business Owner Profile.

#### Use limitations

Generally, you may not obtain a Business Owner Profile unless you have a permissible purpose under the FCRA. Specifically, except as outlined previously, you may not obtain a Business Owner Profile in the following circumstances:

- On an employee of a company you are researching.
- On yourself, your coworkers, friends, family or acquaintances for persona, family or household purposes.
- To prescreen a prospective customer who has not already requested the formation of a credit relationship. If a potential customer has not approached you with the intention of doing business involving the extension of credit (or otherwise given you written authorization), the necessary relationship has not been established.

You do not need to obtain the consent of the business proprietor before obtaining a Business Owner Profile if you are ordering the report for a "permissible purpose." However, obtaining the written authorization from the principal (and providing evidence of such to Experian) is itself a permissible purpose for ordering a Business Owner Profile.

#### Notification to principal

Information drawn from a consumer report file retains its character as a consumer report, even if furnished in connection with a commercial credit transaction. Therefore, credit grantors should provide notice to the applicant that the information contained in the Business Owner Profile was the reason for a commercial credit declination. Credit grantors often turn to their consumer loan departments for assistance. In addition, notice obligations may exist under Regulation B of the Equal Credit Opportunity Act. Credit grantors should consult their legal counsel with respect to all required notices.

#### Experian<sup>®</sup> protects consumer credit files

Business Owner Profile inquiries will appear on the individual's Experian consumer credit report and will include your business name and address. Experian<sup>®</sup> identifies its Business Owner Profile inquiries as business inquiries so that consumer credit grantors can plainly see that the Business Owner Profile inquiries are unrelated to the subject's consumer credit activity.

#### Requesting a copy of your consumer credit report from Experian

If you would like a copy of your own credit report, you must make a request in writing. Your request must include your full name with middle and generation (if applicable), your current address and each previous address with ZIP Code<sup>TM</sup> for the last five years, your Social Security number and your year of birth. You also must provide verification of your name and current address by enclosing one of the following items: photocopy of driver's license with current address, utility bill or a statement from a major creditor. Sign your request and mail it to:

Experian Consumer Credit Report  
PO Box 2002  
Allen, TX 75013

If you have been denied credit, insurance, employment or a rental opportunity within 60 days of your request, this report will be provided at no charge. In this case, enclose a copy of the declination letter from the credit grantor. If you have not been denied credit within 60 days of your request, there will be a fee, which varies by state.

To resolve a dispute on Experian's consumer credit report, please contact Experian's National Consumer Assistance Center at 1 888 397 3742.

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