

Contact **Janis Lamar**
714.385.7500

TRW listens to consumers; introduces "plain English" credit report

Orange, CA -- April 16, 1993 -- TRW has introduced a new credit report format to help consumers better understand their credit histories and become more active participants in enhancing the accuracy of credit reporting. The new credit report is written in plain, everyday English instead of columns of numbers and codes.

"This new format is the clearest I've seen," said Gerri Detweiler, executive director of Bankcard Holders of America. "It takes the guesswork out of reading your credit report."

Consumer comments about the new report -- mailed to consumers beginning in January -- are overwhelmingly positive.

Consumer-driven format

TRW developed the new "plain English" format after conducting a series of consumer focus groups, working with two consultants and gathering comments from credit grantors, consumer advocates and academics.

TRW also gathered consumers' opinions about several alternate credit report formats -- which was easiest to read, which was organized best, which did the superior job of communicating credit information.

"Part of TRW's business strategy is to make consumers active partners in the credit process," said Maxine Sweet, TRW vice president of consumer assistance. "We tested how well consumers understood our explanations of credit terms and industry jargon. Our intent is to make the technical terms as simple as possible, helping consumers be more comfortable with the entire credit reporting process."

Positive features

Sweet offered an example of information presented about a specific credit account in the new format: *"This charge card was opened 12/85 and has revolving repayment terms. You are the only person associated with this account. The credit limit of this account is \$5,000. As of 12/92, this account is delinquent 30 days. Your balance as of 11/13/92 is \$4,500, with \$300 past due. Your scheduled monthly payment is \$250. The last payment reported to TRW was made in 10/92."*

more ...

Plain English format - page 2

Questions and calls to TRW's 800 number indicate that many consumers do not clearly understand inquiries, so the new format explains those in more detail under a section titled "Your credit history was reviewed by." An example of an inquiry is a bank checking a consumer's credit history to evaluate a new car loan. Inquiries for credit-granting purposes remain on the credit report for six months.

The new format also invites consumers to participate in making their report as complete and accurate as possible. One section — "Please help us help you" — lists all the information supplied to TRW when the report was requested (such as full name, address for the past five years, Social Security number and year of birth) and asks consumers to update incomplete or incorrect information.

Accurate, up-to-date information has many advantages for consumers -- pinpointing their identity in the credit database; ensuring information is complete; preventing credit information of people with similar names and addresses from being mixed in with the wrong individual's credit history; and helping potential credit grantors make lending decisions fairly based on the true credit history.

A new consumer dispute form sent with the credit report provides a convenient way for consumers to notify TRW of information they believe is inaccurate. "Consumers simply need to fill out the form and send it back to us. We will check their disputes with the source of the information and mail the results within 30 days of receiving the dispute comments," Sweet said.

Getting your report

TRW offers consumers one complimentary credit report each calendar year, the only credit reporting company providing this complimentary annual disclosure. TRW will also send a free credit report to individuals denied credit based on credit information provided by TRW within the past 60 days.

TRW Information Services, a leading provider of consumer credit information services, is the credit reporting and marketing services division of TRW Inc., headquartered in Cleveland, Ohio. TRW Inc. provides high technology products and services to the automotive, space and defense and information systems markets. Sales in 1992 totaled \$8.3 billion.

#####