



Business Owner Profile

Make sound credit decisions about small-business owners

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 ProfileSM, 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.
- Fraud ShieldSM 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.

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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

When a consumer statement appears on a credit record, Experian is required to return a Small Business IntelliscoreSM 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 personal, 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® 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® 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.

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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™ 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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