

CREDIT BUREAU INQUIRIES FAQ

What is a Credit Bureau Inquiry?

A Credit Bureau Inquiry consists of an inquiry to TransUnion, one of Canada's major credit bureaus, in order to obtain the individual's credit report. The credit report contains five key areas of information:

- 1) Identifying Information** – names and aliases, date of birth, social insurance number, address history, employment history.
- 2) Financial Information** – Financial accounts (credit cards, loans, installment plans, etc) and the payment history for those accounts.
- 3) Public Records** – registered items, bankruptcies and legal items.
- 4) Collections** – information regarding delinquent accounts which have been sent to collection.
- 5) Banking items** – information regarding any fraudulent activity as reported by the individual's financial institution.

What is TransUnion?

TransUnion is a major credit bureau clearing house that is widely used by many financial, private and government institutions to obtain and monitor credit profiles. For more information, you can visit their website at www.transunion.ca.

What is SterlingBackcheck's average turnaround time for a Credit Bureau Inquiry?

SterlingBackcheck's average turnaround time is one business day for a Credit Bureau Inquiry provided that all the necessary information is submitted.

Does SterlingBackcheck's Credit Bureau Inquiry impact an applicant's credit rating?

No, it does not. There are different types of inquiries that reside on a credit report. The score only considers those inquiries that are posted as a result of applying for credit; these inquiries are referred to as hard inquiries. When SterlingBackcheck pulls a candidate's credit report for a prospective employer in order to assess their financial risk, this is referred to as a soft inquiry. Soft inquiries have no effect on a candidate's credit score.

How can a Credit Bureau Inquiry enhance verifying my candidate's identity?

By comparing the information provided on the candidate's consent forms with the information provided by the credit bureau, SterlingBackcheck is able to identify more aliases and other inconsistencies which help provide more accurate Employment Verifications, Reference Checks and Criminal Record Checks.

What information is needed on a consent form for a successful Credit Bureau Inquiry?

The following pieces of information are mandatory:

- + Signed consent from the candidate
- + Candidate's full name and any aliases
- + Candidate's full current address
- + Candidate's date of birth

The following pieces of information are not mandatory, but are preferred and may be required in order to locate the candidate's credit report or to ensure accuracy:

- + Social Insurance Number
- + Previous address history
- + Candidate's home phone number including area code

What do the different statuses mean for Credit Bureau Inquiry results?

SterlingBackcheck has four statuses for Credit Bureau Inquiry results:

- 1) Incomplete** - This means that the Credit Bureau Inquiry is pending or is awaiting quality assurance steps.
- 2) Clear** - This means that the Credit Bureau Inquiry has been conducted and has no flags or negative items.
- 3) Not Clear** - This means that the Credit Bureau Inquiry has been conducted and there were flags or negative items found such as:
 - + Missed payments on financial accounts
 - + Collection activity
 - + Negative banking information
 - + Legal items
 - + Bankruptcies
- 4) Unable to Complete** - This means that there is something missing in the candidate's file which is preventing SterlingBackcheck from conducting the Credit Bureau Inquiry.
 - + This is usually due to missing applicant information such as date of birth.

CREDIT BUREAU INQUIRIES FAQ

My candidate just paid off an outstanding bill. Can SterlingBackcheck change their Credit Bureau Inquiry results to “Clear” now?

No. We are not in the position to evaluate credit records based on a candidate's claims. Moreover, one missed payment does not lead to a negative account; it usually requires two to three months of missed payments to negatively affect an account rating. SterlingBackcheck cannot change items (negative or positive) on a candidate's credit report. This responsibility falls solely on the credit bureau (with reliance on accurate information from the consumer and his/her creditors).

What happens if a candidate challenges his or her Credit Bureau Inquiry results?

This is quite rare, but candidates may contact TransUnion directly at 1-800-663-9980 to dispute or update their information. The candidate must provide SterlingBackcheck as the company that inquired about their credit in the past 60 days and the TransUnion representative will assist in clearing up any inaccuracies. We are not in a position to update candidates credit files as they are the legal owners.

What happens if my candidate does not have a credit file?

If a candidate is too young to have credit, has recently immigrated or simply has no credit history to their name, SterlingBackcheck will indicate this on the final report by writing “SterlingBackcheck was unable to locate a credit file.” The Credit Bureau Inquiry will be marked as Clear.

Does my applicant need to provide photo ID for a Credit Bureau Inquiry?

No. A credit history does not require any form of ID.

Is consent required for Credit Bureau Inquiry?

Yes. All candidates must sign a consent form, provided by SterlingBackcheck, which indicates that they are aware of and accept having their credit history examined by SterlingBackcheck and that the results will be relayed to you as their potential employer.

My candidate's report shows that they have a few accounts in negative standing. How are the accounts rated?

SterlingBackcheck does not rate the accounts in-house. The system used to rate accounts comes directly from TransUnion. A typical example is regarding payment frequency. If minimum payments are missed successively, a negative rating is eventually given to the account.

Below is a very brief outline TransUnions's credit rating system:

Types of Ratings

- 0= Too new to rate/no payments have been made.
- 1= Regular payments
- 2= 30-59 days late
- 3= 60-89 days late
- 4= 90-119 days late
- 5= 120 or more days late
- 7= Credit Counseling
- 8= Repossession
- 9= Bad Debt Write off. May or may not be passed on to collection agency.

Types of Accounts

- R= Revolving account. Credit Card. Balance and payments fluctuate with consumer use.
- I= Installment account. Loan. Balance is the amount still owing. Predetermined payment amount and frequency.
- O= Open account. Account with time limit. i.e. cell phone contract. Once the predetermined time has expired, the account is closed.
- M= Mortgage account.
- C= Line of Credit.

Collection Items

Third party company takes over the collection of an amount outstanding. Both paid and unpaid collection items are reported as negative.

Banking Items

A bank reports a customer with some type of infraction. These items are summarized/differentiated by these phrases:

- 1) Uncollected overdraft or charges.
- 2) Unacceptable ABM activity.
- 3) Stolen, Forged, Worthless, NSF cheques.

Legal Item

Proceedings must involve a monetary value to be reported to a credit bureau. The outcome of these proceedings may or may not be reported at the time of our check, i.e. we may not know the balance/outcome of the judgment as it may still be in process. These items could range from small claims court to unpaid taxes or child support.

Bankruptcy/Proposal

A bankruptcy is the release of a consumer from obligation to pay back creditors. The process of filing for bankruptcy takes about 10 months so bankruptcies can be reported as “not discharged” depending on when we do the check. A bankruptcy can be reported as discharged or pending.

A proposal is an attempt by a consumer to consolidate his debt and, through a trustee, pay back some of what is owed. A proposal is defined by regular payments for a predetermined period. A proposal can be reported as pending, failed, or satisfied.

CRIMINAL RECORD CHECKS FAQ

Q: What is the advantage of using SterlingBackcheck to conduct Criminal Record Checks?

A: There are numerous advantages to using SterlingBackcheck:

- SterlingBackcheck utilizes a forgery-proof delivery system; we deliver results directly to our clients, eliminating the risk of digital manipulation between the police station and the employer.
- SterlingBackcheck offers next business day turnaround time, with a four hour rush service available.
- Our easy to read reports are coupled with assistance from our experts who can assist you in understanding results.
- The cost of performing a Criminal Record Check through SterlingBackcheck is generally much less expensive than through a police department.

Q: What is provided in your Criminal Record Check service?

A: SterlingBackcheck, working with its Canadian police partners, conducts Criminal Record Checks (CRC) based on the name and date of birth of an applicant. These searches may provide an indication of the existence of adult criminal convictions, for which a record suspension (formerly a pardon) has not been granted, within the RCMP National Repository of Criminal Records. Any information discovered will be as the record exists on the date of search.

Please note: Specific details of a criminal record conviction cannot be released without fingerprint verification. SterlingBackcheck's police partner is able to confirm the accuracy of an applicant's self-disclosure of criminal convictions. Fingerprinting, if required, can be conducted by local police or an accredited fingerprinting agency, whom SterlingBackcheck has partnered with for the convenience of our customers. Please contact SterlingBackcheck for further information.

Please note: The SterlingBackcheck CRC offers an indication of possible convictions within the RCMP National Repository of Criminal Records. Some organizations may require a search that includes conviction information outside the National Repository, or non-conviction information. Please contact your SterlingBackcheck representative to discuss additional screening options.

Q: Where is Criminal Record Check information obtained from?

A: The Criminal Record Check information given to our clients is provided by an authorized Canadian Police Agency who has partnered with SterlingBackcheck. SterlingBackcheck works with numerous police services across Canada. Searches of the National Repository of Criminal Records are made via the Canadian Police Information Centre (CPIC). The RCMP National Repository of Criminal Records contains convictions for offences in the Criminal Code and other federal criminal statutes, for which fingerprints were taken.

Q: What is SterlingBackcheck's typical turnaround time for Criminal Record Checks?

A: SterlingBackcheck returns your Criminal Record Check results within one business day. Additionally, a 4 hour rush service is available.

Q: Are your services compliant with privacy and human rights laws?

A: SterlingBackcheck's services are designed to help you comply with your obligations under Canadian privacy and human rights laws. However, you need to ensure you understand those obligations and use the services accordingly. Our dedicated Canadian privacy and compliance team prepares guidance in the form of best practice documents and webinars to help you understand your obligations and how best to use our services, and the team is available to answer specific questions from our clients and their applicants.

Q: What process do you have to obtain information?

A: Typically, when candidates complete their application forms for employment with a SterlingBackcheck client, our client also asks the candidate to provide the necessary personal information to perform a Criminal Record Check. Once the candidate has provided the required information and provided consent for the check, SterlingBackcheck conducts the Criminal Record Check by utilizing the services of one of our Canadian police partners. Our contacts at the police service will conduct the check and report back to us in a timely fashion. SterlingBackcheck ensures the accuracy of results with numerous quality control measures, and returns the result to our client within one business day of receiving the request.