



# Chex Systems, Inc. General Information

v1.2

July 2, 2021

## What You Need to Know

Chex Systems, Inc. (ChexSystems) is a nationwide specialty consumer reporting agency under the federal Fair Credit Reporting Act (FCRA). The information contained in your ChexAdvisor Educational Report is provided for informational purposes only at the written request of you, the consumer about whom the report relates, and may not include all the information included in your file at ChexSystems. In addition, some information included in this report may be a summary of information included in your file at ChexSystems, and some information may be provided by a third party. A summary of consumer rights under the FCRA is attached to this document, and you may obtain a copy of your free file disclosure report from ChexSystems by requesting it from: Attn: Consumer Relations, Chex Systems, Inc., 7805 Hudson Road, suite 100, Woodbury, Minnesota 55125; by calling: 800-428-9623; by faxing: 602-659-2197; or by visiting [www.chexsystems.com](http://www.chexsystems.com).

## What You Need to Know about Your Score

Like other credit or risk scores offered to consumers, the ChexAdvisor® score included in the ChexAdvisor® Educational Report is not likely to be the same score used by lenders or other commercial users for credit decisions, and there are various types of credit scores. Lenders use a variety of different types of scores to make lending decisions. The ChexAdvisor score may not be the score you receive if you request a score disclosure by contacting ChexSystems directly, nor is it the same as other scores made available by ChexSystems, including the QualiFile® score which may be used by a financial institution as a factor in making an account opening decision.

## Who is ChexSystems?

ChexSystems compiles event information, and uses that information to provide products and services which may include actual events and/or summaries of those events:

- ❖ Number of times a consumer has applied for a checking, saving account, or credit account (e.g., auto loan, credit card, installment loan, etc.).
- ❖ The names of businesses (i.e., banks, credit unions, and alternative lenders) that have requested consumer report information from it about a situation where a consumer has made an application to open an account.
- ❖ Time since consumer's last application when ChexSystems information was requested.
- ❖ Number of accounts reported as closed by banks and credit unions.
- ❖ The names of banks and credit unions that have reported checking or savings accounts closed.
- ❖ Number of times a consumer has applied for a credit account when ChexSystems information was used.
- ❖ Number of checks ordered by the consumer and the number of different accounts where checks have been ordered.
- ❖ Number and timing of consumer checks bounced at retailers.

ChexSystems **does not** make account opening or credit issuance decisions. These decisions are made by the subscribing entities based on their internal policies. ChexSystems is **not** a collection agency.

## What information does ChexSystems have in a consumer file?

When information is requested from ChexSystems, the consumer's personal information provided to ChexSystems is used to locate the information that is on file. ChexSystems then returns information or summaries of that information to the requesting business or the consumer, in the form of a **consumer report**.

A ChexSystems consumer report is generally used by businesses to help evaluate the risk of doing business with a consumer at the time a consumer wants to open an account. The consumer report can contain a combination of **events, various types of summaries of events, and/or scores** associated with a consumer on file at ChexSystems, depending upon the product a business uses.

**Events** provided through ChexSystems ChexAdvisor<sup>®</sup> product may be labeled differently than they appear on your disclosure report and may be categorized as:

### **INQUIRY EVENTS**

Inquiries Initiated By Consumer Action refers to inquiries resulting from a transaction initiated by you. These include applying for a credit card or completing an application at a financial institution. Please note that the inquiries are part of your file and may be included in our reports to others. These inquiries can be viewed for ninety days up to three years.

Inquiries Not Initiated By Consumer Action refers to inquiries resulting from transactions you may not have initiated, so you may not recognize the source. Sources for these inquiries may include your current financial institution, current creditors, pre-approval creditors, and potential investors trying to access risks. We report these requests only to you as a record of activities and we do not include any of these requests on credit reports to others.

Inquiry events that may be used in ChexSystems products and services are more specifically defined as:

- ❖ **Account Inquiries - Demand Deposit Account (DDA)**  
Inquiries on consumers conducted by financial institutions performed when the consumer applies for a checking or savings product.
- ❖ **Account Inquiries - Credit**  
Inquiries on consumers conducted by other financial companies performed when the consumer applies for a credit product.
- ❖ **Account Inquiries – Check Cashing**  
Inquiries received by Certegy Check Services, Inc. as a result of a check cashing transaction initiated by you. ChexSystems receives record of inquiries directly from Certegy Check Services, Inc.

**CLOSURE EVENTS**

- ❖ Reported Information refers to reports of accounts that have been mishandled, reported for cause, and/or outstanding debts. Reported Information is submitted directly to ChexSystems by users of our service which consists mainly of financial institutions. Our current practice is to retain this information for a period of 5 years.

**CHECK PRINT ORDER EVENTS**

- ❖ History of Checks Ordered refers to a record of check orders placed within the past five years.

**RETAIL EVENTS (Retail Returned Checks)**

- ❖ Retail Information refers to returned checks written on an account and certain collection accounts. Retailers and other businesses report this information to Certegy Check Services, Inc. ChexSystems receives this information directly from Certegy Check Services, Inc. and is not involved in the collection of these items.

**Events** may be considered positively or negatively, or not at all, when considering consumer risk and/or calculating **scores**. A score generally considers both positive and negative information in a consumer’s ChexSystems report.

### What is a ChexSystems Score?

The ChexAdvisor Education Report score is calculated based on actual events within the consumer’s file at ChexSystems. Different ChexSystems products will deliver different scores to businesses, so the score on your ChexAdvisor Education Report may not be the same as a score used by, for example, a financial institution when it makes a checking or savings account opening decision.

The ChexSystems score and scoring model may be different than the score used by the business using your consumer report. Because a score is merely a snapshot of a consumer report at the time the score was calculated, the score will change to reflect changes in the report. There are a wide variety of scores available in the industry, and each business requesting your consumer report may use a different score or may give weight to the score they use in relation to other factors.

## About Your Score

A ChexSystems score is provided to businesses that request the score as part of their application process.

The score range is from 100 to 899, where a higher score indicates lower risk.

- ❖ The score uses **events** in a consumer's file at a single point in time. Some events may have an impact on your score. For example, account closures may cause the score to go down.

The ChexSystems score may not be the only factor in the decision process for a financial entity and it may not be the only score utilized to decide.

## What Impacts My Score

"Key factors" are all relevant elements, or reasons, that could adversely affect a score for a particular individual.

Listed below are common examples of key factors that can have either a positive or negative impact on your score:





- ❖ Excessive recent credit inquiries
- ❖ Insufficient or no credit history
- ❖ Number of checks ordered and the number of different accounts the checks were ordered from
- ❖ The number and dollar amount of returned checks at a retailer
- ❖ Number of accounts banks have forcibly closed
- ❖ Number of times a consumer has applied for an alternative credit account

## What If I find an Error on my ChexSystems Report?

You have a right to dispute any information in your consumer file that you believe may be inaccurate or incomplete. Please visit [www.chexsystems.com](http://www.chexsystems.com) to obtain information about how to submit your dispute. If you dispute the completeness or accuracy of the information in your consumer file, you have the right to submit a dispute directly to the institution that provided the information. However, if you prefer, ChexSystems will be happy to contact the institution to initiate an investigation.

Investigations are usually completed within 30 days (21 days for residents of Maine).

- ❖ If you provide additional information or documentation relevant to the dispute while the investigation is pending, the investigation timeframe may be extended by up to 15 days to give the source sufficient time for review.
- ❖ Once it is completed, ChexSystems will notify you of the results of the investigation by mail at the address you provide.

	<p><b>Submit your request online</b> Consumer Request for Disputes – <a href="http://www.chexsystems.com">www.chexsystems.com</a></p>
	<p><b>Voice Messaging System</b> Call 800.513.7125</p>
	<p><b>Mail</b> Complete, print and mail the Consumer Request for Disclosure Form <b>Chex Systems, Inc.</b> Attn: Consumer Relations 7805 Hudson Road, Suite 100 Woodbury, MN 55125</p>
	<p><b>Fax</b> Complete, print and fax the Consumer Request for Disclosure Form Fax to: 602.659.2197</p>

**Note:** [www.chexsystems.com](http://www.chexsystems.com) is the **only official Chex Systems, Inc. consumer-facing website**. Any other websites containing the name ChexSystems are not owned or operated by Chex Systems, Inc.



There are other companies with names similar to Chex Systems, Inc. which may be holding themselves out to consumers as Chex Systems, Inc. Please be advised that Chex Systems, Inc. has no relationship or affiliations with these companies. Chex Systems, Inc. will never require payment from a consumer to investigate the accuracy of consumer reporting information, nor will Chex Systems, Inc. ever require payment to remove inaccurate consumer reporting information. Chex Systems, Inc. will never contact a consumer as part of an effort to collect a debt.

### Review Frequency

Annually

### Specification Owner

ChexAdvisor Product team

### Revision History Table

Version	Date Updated	Updated By	Description
1.0	July 18, 2019		Document creation
1.1	June 6, 2019		Annual Review
1.2	July 2, 2021		Annual Review

### Retired Specifications

None

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