

TIA Credit Webinar August 18, 2010 Questions & Answers

1. How many brokers did you say went out of business over the last year? **2,430**
2. When you say brokers going out of business, do these include trucking companies that also had their brokerage license? **It could, I did not look for overlap. There was 3,047 truck lines O/B.**
3. Is the number of brokers out of business based on cancelled MC numbers? **Yes.**
4. What did Winston say the score needs to be? **Starting with an 8, i.e. 80 and up.**
5. Regarding Factor Fast...what is the pay turnaround time on that? **Factor Fast gives immediate 24/7 approval of the truck line invoice. The actual payment to the truck line may vary between factoring companies.**
6. Why can't factoring companies be used for credit references? **Factoring companies are in fact used for credit references; however I think where you may be going with this is they are often paid differently.**
7. How often is Factor Fast credit data used updated? **Constantly as new data comes in daily.**
8. How large was the typical brokerage in sales \$ that went out of business? Larger companies or just one man brokerages? **\$2-5 million in annual sales.**
9. NTA My factoring company National Bankers Trust funds us within 60 minutes of delivery? **That's great. Factor Fast is not a factoring source, but a software program used by factoring companies to approve spot market freight bills.**
10. Is stale dated data eliminated from the decision making process within Factor Fast?? If so how often? **Stale is in the eye of the beholder. Think of your personal credit which stays on your report for 7 hrs. The reason is that history is important; however we cut –off any data after 12 months. Most data is current within 30-90 days. By the way Factor Fast is not a factoring source, but a software program used by factoring companies to approve spot market freight bills.**
11. Are there any providers that provide a review of the various scores on our companies? **Like some do with the 3 primary consumer credit providers. No there is not.**

12. We pay carriers 21 days from date of B/L, we can't get the carriers to report accurately. How can we get them to report?
This of course varies from carrier to carrier as to how they bill and when. Your best resource is A. To subscribe to our Credit Protection which alerts you to adverse reporting and B. to review your report FREE with TransCredit at least twice a year and if you find a sizeable payment gap. Let us know and we will speak with the carrier. Remember to get your TransID and PIN.
13. How do you report out of business brokers, do you send out a high-risk letter?
No. The reason is that O/B have been removed from the marketplace, we do however have an Auto-Alert system that monitors broker payment trends for carriers or shippers for either carriers or brokers.
14. Currently credit is based on data submitted from the carriers. Why can't the broker be given the opportunity to dispute information provided? Your best resource is A. To subscribe to our Credit Protection which alerts you to adverse reporting and B. to review your report FREE with TransCredit at least twice a year and if you find a sizeable payment gap. Let us know and we will speak with the carrier. Remember to get your TransID and PIN.
15. Do they consider the relationship with T-Chek or ComData? Not T-Check, but ComData yes.
16. How do brokers protect themselves when attempting to pay a carrier and cannot get shipping docs or invoice? Communicate with the carrier. Insist they not report the invoice as past-due. Your best resource is A. To subscribe to our Credit Protection which alerts you to adverse reporting and B. to review your report FREE with TransCredit at least twice a year and if you find a sizeable payment gap. Let us know and we will speak with the carrier. Remember to get your TransID and PIN.
17. How do we deal with carriers who are reporting past due invoices when those invoices are being billed incorrectly and we can't get the carrier to fix them? Communicate with the carrier. Insist they not report the invoice as past-due. Your best resource is A. To subscribe to our Credit Protection which alerts you to adverse reporting and B. to review your report FREE with TransCredit at least twice a year and if you find a sizeable payment gap. Let us know and we will speak with the carrier. Remember to get your TransID and PIN.
18. Regarding calling the carrier. How do you find out which carrier reported you as late paying? Your best resource is A. To subscribe to our Credit Protection which alerts you to adverse reporting and B. to review your report FREE with TransCredit at least twice a year and if you find a sizeable payment gap. Let us know and we will speak with the carrier. Remember to get your TransID and PIN.

19. How do we know how many companies are reporting on a company that TransCredit tracks? For example, if the “days to pay” is 30 and the “credit rating” is 95%, how do we know if it is the result of 10 companies or 100 companies or 1000 companies reporting to calculate that credit info? **You would have to order a Premier Report; this will show each individual carrier reporting and the number of freight bills they are reporting.**
20. What can a company do to increase credit score with Experian? We have a score that's in the 40s, but we pay all carriers within 28 days and we've got a D&B paydex that's over 80. We are 100% debt free. Why would it be so low, and what can we do to fix it? **It is a problem with those large institutions that appear to not know the meaning of “help me”; however that is my suggestion. Call them up and say exactly that, ask for a supervisor if necessary.**
21. What happens in the situation that the carrier will not invoice us, it's been nearly a year, and yet we still can't seem to get the paperwork we need? They have not filed late payment on us... what do we do now? **It appears that they have lost their paperwork. I would send a fax or letter with your documents to the President of that truck line.**
22. Even though the available freight is high right now...come winter, do you foresee that continuing? **Short of blizzards that normally slow trucking and influx from Holidays, etc, I do not see a major drop. I base this on the gradual recovery that is currently in place. However to avoid some future lynching party, I do not have a crystal ball.**
23. Typically a carriers invoice and b/u paperwork's lags 7-10days from carrier to broker, therefore if broker bills out immediately and pays w/in 20day period he trying to accomplish carrier pmt w/in 30 days, if it goes over, how is the broker scored? How can the broker's score be protected in this scenario? **There is often lag between pick-up, to delivery, to ppwrk from carrier to broker so broker can bill customer. If lag time between carrier executing the invoice and mailing to you is an issue I suggest you work out a plan to receive carrier invoice by email. Payments to carrier in less than 30 days do receive a small bonus rating.**
24. Once the correct data has been reported to TransCredit how long does it take to have updated information replaced with stale data? **I believe you are asking how quickly any new info gets into your report. If reported by a carrier it is within minutes. If it is a dispute that must be resolved it could take 1-2 days.**
25. Why are there so many references allowed? How do I get old ones off of the report? **The greater number of references indicates a wider spectrum and more accurate assessment of ones credibility. To get old ones off your report I suggest A. To subscribe to our Credit Protection which alerts you to adverse reporting and B. to review your report FREE with TransCredit at least twice a year and if you find a sizeable payment gap. Let us know and we will speak with the carrier. Remember to get your TransID and PIN.**
26. If you have documentation that you have notified the carrier's A/R dept. is that sufficient to dispute a poor carrier rating with Transcredit? **Generally yes! However it would depend on what the documentation says.**

27. How many credit reporting companies must we deal with? Compunet offers the exact or nearly exact thing so we have to pay to keep the carriers honest. Is TC and Compunet the main two to worry about? **TransCredit is the only source of Credit Scores and Payment trends to Load boards, Compunet which is now 1st Advantage, but just changed to Corelogic in August is a major player in credit reports. Ansonia (whose people broke away from "Compunet" touts themselves as a co-op for factoring firms and is heavy into broker reporting and finally there is Cortera which plays a small role in trucking credit reports.**
28. Our shipper base is primarily perishable products companies - packers, shippers and receivers. Will we find their credit scores on TransCredit? **Possibly, but we do not specialize in produce like Red Book.**
29. As a broker....is there a way to see a shipper's credit score so we can see if there are a lot of complaints? **Yes, we offer Credit Trac 3.0, with scores and payment trends plus you may order credit reports on shippers. Please contact our customer service dept for a demonstration. 1-800-215-8448 x 113**
30. My company is having the same issues with Experian. Our Experian score contradicts all other industry credit reporting agency scores including D & B and First Advantage. Experian is extremely uncooperative in helping us to clean up their data. What can we do? **It is a problem with those large institutions that appear to not know the meaning of "help me"; however that is my suggestion. Call them up and say exactly that, ask for a supervisor if necessary.**
31. What sources do you use to gather credit worthiness on the shipper? D&B? What happens if we submit a shipper that you do not have data on? **All sources are direct from the carrier or broker to TransCredit. We do not rely on anyone else's data. D&B reports all trade line whereas TransCredit is exclusively "how freight bills are paid". These sources are by personal interview and by reports emailed or faxed in and those who electronically send their AR.**
32. We are relying on our factoring company to check a shipper's credit. Is this adequate? **Maybe. If you are getting charge backs then maybe you need to question what they are doing.**
33. Who monitors Factoring companies, I have had so many issues with wrong dates, confusing companies, giving wrong information to carrier? **No one. The Int'l Factoring Assoc (IFA) is primarily geared toward exchange of information between factoring companies. There is no policeman.**
34. What specific data would the truck line need to submit to report data regarding a broker & how often can that truck line submit data? **What we prefer is our ARXchange TM program, we give you discounted credit rates for your accounts receivable outstanding each month. It is totally secure and we are currently approaching 200 carriers and brokers who are participating. Please contact our customer service if you would like to participate. 800-215-8448 x 113 Paul Dye**

35. Shippers and starting from scratch verifying their credit: How do we know they didn't just give you 3 sources they pay well, while they are paying other vendors very slowly? Do you grade them based on longevity, and the same factors you use on brokers? Shippers are graded on the same 10 business factors as brokers. Scratch reports are in fact created from 4 refs given by the shipper. Historically they have proven to be very accurate because the refs are truck lines or brokers and it's more difficult to hide among just a few.
36. If a prospective customer is a company coming out of bankruptcy & going through re-organization - what's your advice on approach to evaluate their creditworthiness? I will assume that you intend to do enough business with them to worry; therefore you should spend enough on a credit report(s) to investigate their financial condition thoroughly. TransCredit can provide you one stop shopping for our reports, D&B, Experian and Cortera.
37. Can you require that trucking companies report to you only referencing the date the invoice is actually mailed? Wish that were so, it is just the nature of the broker-trucking industry.
38. If I have not done business with a company for two years how long will this data be displayed on my report? At TransCredit it would be off, 1st Advantage (Compunet) keeps it on for 7 yrs.
39. When do you start calculating the # of days to pay is it on the truck line invoice or the broker invoice? That is the truck lines choice not ours. We get their AR on a spreadsheet, current – 31-60, 61-90, 91+. Outstanding invoices fall within those categories.
40. How heavily is the time in business weight in the factor fast equation? The one factor we use time in business is combined with our credit score of 90-95 and year in business 2 or more: Approved
41. Isn't a credit score a score on how you pay your bills, not how long you are in business? Although I think we all agree 60 days in business gives you no real data, what do you consider a "safe" length of time in business to create a credit score? What do you suggest a new broker do to maximize their score? The text from my presentation which entails the 10 business parameters we use for scoring may be downloaded from the TIA website. We do not publish credit scores to load boards until 1 yr has elapsed UNLESS there is verified collection activity.
42. Do you take off a report even if the invoice hasn't been paid after a year? NO! Non payment stays on for 2 years.