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UNDERSTAND 10 CRITICAL POINTS BEFORE YOU TRUST A CREDIT REPORT OR CREDIT SERVICE

Ask These 10 Questions of Your Credit Service

1. Will their credit report tell me when I will be paid?

A credit service should have a fully trained staff of Credit Investigators who can develop and research credit reports for you. Properly trained investigators will uncover several very important indicators of risk. A Credit Investigation Department can access public record information, Secretary of State data, internal information, and data from other resources to link credit reports by company officers, addresses, phone and fax numbers, etc. Without a team of Credit Investigators, the information on the credit report will be incomplete, and will not alert you to those companies that are in the industry to defraud carriers – burning carriers under many different company names. If there isn't a way to discover these issues, you are left wide open for losses, which could have otherwise been avoided. The CompuNet Investigation team has over 24 years of experience making over 40,000 requests per month for obtaining, verifying and updating credit information. Frequently, it is the “human element” in a CompuNet credit report that helps our customers avoid extending credit to a slow or non-paying customer.

2. Where do they get their credit references?

A credit report should provide enough information for you to determine if the reference is valid and when that reference was updated. If you can't verify it, how can you be sure it is accurate? All of the references on a CompuNet credit report are completely verifiable and detailed. Each reference includes enough information so you could contact the reference provider yourself.

3. How large is their network?

A small network of companies providing information will not provide you with as much information as quickly as a large network can. Let's face it, the sooner you know someone isn't paying their freight bills the sooner you can protect yourself from that company. The more companies that actively report payment and non-payment experiences the more accurate information you will have to make a good credit decision. CompuNet has a carrier network 300% larger than the next credit service and receives references from over 34,000 carriers. The process to obtain and share this information has been refined for 27 years and is constantly being reviewed to create even better results for our customers.

4. How do I know the information is accurate?

In order for credit information to be reliable there must be a process in place to investigate the credit reference if it is disputed. Your credit service should have a process in place to investigate EVERY disputed reference, and they should be able to stand firmly behind “negative” references that are found to



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be accurate even when threatened with litigation. After all, if they don't publish that "negative" reference, you may be the next carrier to be burned. CompuNet employs a highly trained Data Verification staff that follows specific, consistent procedures to investigate ALL disputed references ensuring accuracy and integrity. On average, CompuNet resolves disputed references in less than two days.

5. Why are they really in business?

A distinct conflict of interest exists when your credit service is also your collection agency, factor, or load board.

Collection Agency – What incentive does your collection agency have in providing accurate credit information that would prevent collections from occurring? It is not likely they will make a great effort since it would eliminate their most profitable division – collections – where they make 30 – 50% on each invoice.

Load Board – How do load boards make their money? The companies that post loads pay them. If the load board reports slow or non-payment credit information on one of their load posters, the load poster will get upset and take their loads to another load board.

Factor – A factor will provide credit information on how a company pays them, not how they pay carriers. Do companies pay factors differently than carriers? Many times they do. Therefore, the data you could be relying on to determine creditworthiness is not coming from a carrier's experience, but how the factor is being paid. The factor's depth of information is also limited since it is gathered passively as payments come in from the debtors of their clients. They are not in the business of developing and obtaining new information.

Also, understand that a factor makes a decision to buy an invoice based on different criteria than you use when determining your risk to move freight. If the factor's fees increase, the longer it takes the invoice to be paid and the more inclined they will be to take a chance on a debtor that is paying slowly because they would make more money. On the other hand, if you had used the credit report yourself, you may have decided not to extend credit at all. If that slow paying customer ends up not paying, you have lost the entire amount of the invoice plus factoring fees and the factor has lost nothing.

CompuNet's sole purpose is to ensure our customers have the most accurate, timely credit information to avoid slow and non-payment problems, helping them to maintain a strong bottom line. There are no other conflicting or restricting priorities in our business objective.

6. Do they provide factual, verifiable information, or some type of arbitrary rating?

Credit services often provide ratings or scores as a basis for making credit decisions. CompuNet does not score credit reports. A credit rating or score will NEVER give you a concise time frame of when you can expect to be paid and will leave out crucial information as necessary to make an informed credit decision.



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If the rating is based on limited, unverifiable data it will inevitably lead to losses. Credit services that provide vague scores and ratings also dictate to you what should be important rather than making that decision on your own. CompuNet provides complete credit reports with specific detailed information so each of our customers can determine what is most important for their operation or their particular situation.

CompuNet does provide third party general business scores from Experian and Dun and Bradstreet. This is general credit information and not an indicator for freight bill payment.

7. Do they provide complete customer care at no extra cost?

After the sale, all customers are assigned their own Customer Relations Manager to assist them with questions and concerns about the service, the industry or to help them with anything else they may need. Credit reports are available 24 hours a day online or through the AutoFax. Our Customer Service staff is available 8 am – 6 pm Central Time Monday through Friday. They are ready to provide reports, answer questions, or direct you to any department you may need.

8. Do they charge you for collections?

Most credit services charge you 30 – 50% to collect your unpaid freight bills. Wait a minute – the credit service is supposed to help you avoid bad debt and collections! When you report a non-payment problem to CompuNet, your reference will be added to the credit report. The company reported will be placed on the monthly Bulletin and we will send a Debtor Notification letter to your debtor letting them know you have reported them to us for non-payment. This is a FREE service for CompuNet subscribers. Because the carriers that make up the CompuNet network control tens of thousands of trucks, those companies that have been reported take notice. In fact, 50% of companies who receive a CompuNet Debtor Notification letter pay within 45 days. Why pay a collection agency 30 – 50% of the invoice when it can be collected for FREE?

9. Can you understand their credit report?

Credit reports are useless if they are confusing, vague or are missing key credit indicators. The CompuNet credit report has evolved over the years based on input from our customers. Everything on the credit report has a specific purpose in a format that is easy to understand. While other services have copied our format, they will not invest the time and money to obtain some of the most important information.

Others give ranges of information (31 – 60 days) that are too vague to get an accurate idea of when to expect payment. Our customers consistently tell us it is the specific information such as the verifiable average days for payment and the number of complaints for unpaid freight bills that enables them to make the most accurate credit decision.



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10. Can they provide you with a list of satisfied customers?

Some credit services provide credit reports as a sideline, consequently they may be more concerned about their bottom line than preventing slow and non-payment accounts for you. CompuNet has been in business for over 27 years, was the first and is the only credit service to focus strictly on providing accurate, up-to-date credit information for the trucking industry. We would be very happy to provide you with a list of satisfied customers in your area. CompuNet also works directly with the American Trucking Association and Truckload Carrier Association as well as several state associations.