CREDIT INFORMATION: 
It’s essential

Knowing your customer is a construction maxim. There are many sources for obtaining information.

Careful planning beforehand is the most effective strategy for avoiding bad debt losses. And the bigger the job, the deeper a contractor should dig to turn up the information he should have about a potential customer’s financial base.

Here is a list of sources that a contractor may utilize to obtain credit information:

1. Other Subcontractors
   If the customer or general contractor has been around very long, he undoubtedly will have a “track record” with other subcontractors and a quick check with them may reveal usable information. Also, in some communities there are local “interchanges” where a group of businessmen exchange credit information. The local Chamber of Commerce should be able to assist.

2. The Company Attorney
   The contractor’s own attorney may be able to provide an insight into a customer’s business ability and local reputation, especially if the attorney has had previous dealings with him. If, though, the customer is or has been a client of the attorney, professional legal ethics may prohibit disclosure.

3. The bank
   Although banks balk at giving exact amounts of a depositor’s financial status without the applicant’s authorization, the contractor’s bank can provide general information about payment history and can sometimes obtain information from another bank.

4. Suppliers
   Suppliers and salesmen are a valuable source of credit information because in the course of their day-to-day business activities they learn much of the general business dealings and reputations of many of the industry’s firms and individuals. Such information should be carefully verified because it often borders on “grapevine” reporting.

5. Credit Reporting Agencies
   A quick look at the Yellow Pages will reveal a number of special credit reporting agencies who can provide information about individuals and firms. Services offered vary from specialization in certain types of companies to subscriptions for rating books and extra reports.

6. Dun & Bradstreet, Inc.
   Located at 299 Park Ave., New York, NY 10017, this company provides a collection service as well as a business information report service and a change notification service. The latter will provide a contractor with any change in the credit status of a contractor’s registered business firm customers. But the contractor must register the accounts with Dun & Bradstreet once a year so the status of these accounts can be monitored and reported.

   Located at 1600 Peachtree St., NW, Atlanta, GA 30302, this organization issues credit reports and other detailed reports on individuals.

8. Credit Index Division
   The Hooper-Holmes Bureau, Inc., 170 Mt. Airy Rd., Basking Ridge, NJ 07920 offers a collection service and will provide credit information for a contractor’s inquiries.

   NOTE: To obtain the nearest branch offices for Dun & Bradstreet, Retailers Commercial Agency, and the Credit Index Division, it is best to write directly to the addresses given.

   Located at 111 Fourth Ave., New York, NY 10003, this organization makes available comprehensive reports on individuals and companies. More complete and expensive than the usual credit report, they are generally used by larger contractors. Reports take about 3 weeks.