

Regarding mergers and acquisitions of financial institutions: When such a merger or acquisition occurs, the purchasing institution assumes not only the active accounts, but the reporting responsibilities thereof. When the books include accounts that already have been charged off, charged to profit and loss, and sold to third party junk debt buyers, the purchasing institution has no claim in the matter. They have no financial interest because the account was sold prior to the merger/acquisition. What is their role in the reporting of a trade line on an account that was disposed of before they assumed the institution that previously held the account? Clarify that the purchaser of a bank does not assume accounts that have already been sold any more than they assume office supplies that have already been used or company vehicles that have already been auctioned off. Whatever proceeds stemming from the sale that might remain in the institutions funds are all they have a real interest in. They should be forbidden to report those accounts, particularly in the absence of original knowledge and/or supporting documentation. They cannot attest to the accuracy or the integrity of the reported trade line. Consumers who discover such a trade line on their reports are at a real disadvantage because no one accepts responsibility for substantiating the validity of the alleged indebtedness. The account that has been sold is at zero balance, but the purchasing bank routinely reports with a fresh charge off monthly making the account appear recently defaulted. If disputed, the CRAs do their routine automated so-called "verification" with the data furnisher who purchased the institution. At the push of a button, the status date and last reported date is updated, the account is "verified" and the next thing you know the CRA refuses to accept another word from the consumer. The comment, "Dispute resolved, consumer disagrees" is appended to the trade line and that's the final word, as far as the data furnisher or the CRAs are concerned. It's a joke to think any one of the CRAs accept substantiating documentation from consumers. They don't. In any event, it's a mute point in those cases where the account is not that of the consumer, he lacks documentation in regards to the account. These purchasing institutions assume trade lines that may or may not be reporting correctly. They have no idea one way or the other. It's particularly grievous when the account has been re-aged. Where the charge off and sale of an account antedates the acquisition of the institution that sold that account, clarify that the purchasing financial institution may not continue to report that account. If they are to be allowed to report the account, in the absence of original knowledge of the account, then they must be able to attest to the accuracy of the reporting and be held to the mandates that currently regulate other junk debt buyers and collection industry data furnishers. They must substantiate the validity of the debt with a full detailed accounting. The only recourse consumers presently have is the courts. Many lack the funds or the knowledge to pursue corrections in such circumstances. The simplest solution is to instruct them that accounts that were closed and sold prior to the acquisition of the lending institution may not be reported or updated by the purchasing institution because they lack a financial interest in the matter and they lack original knowledge of the account and they cannot attest to the integrity or accuracy of the reported trade line. The tradeline as previously reported by the original lender is frozen as of the date they sold the account, together with its original commencement of delinquency date. It remains for the full reporting period unless a consumer discovers inaccuracies in the trade line. In that case, which is likely to be a small percentage of the cases, there being no data furnisher to contact for purposes

of verification, the trade line is deleted in its entirety. The consumer still must contend with the buyer of the debt but that is separate and apart from the above matter.