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Via e-mail to [FACTAscoringstudy@ftc.gov](mailto:FACTAscoringstudy@ftc.gov)

Re: FACT Act Scores Study, Matter No. P044804

August 16, 2004

### **A. Introduction**

I am thrilled to see that Congress ordered the FTC to study credit scoring. Unfortunately, it appears that the legislators are not at all familiar with credit scores and the enormous damages inflicted on the disadvantaged, not only due to absurd score factors, but also due to blatant violations of the Fair Credit Reporting Act (“FCRA”) and the so-called regulators’ refusal to enforce consumer protection laws.

I believe that ALL people deserve equal opportunities, including the disadvantaged, the people who are struggling to get by, often working 2 jobs, self-employed, ill, old, single parents or otherwise handicapped – regardless of race, color, etc. Many, but not all disadvantaged are also covered by the ECOA.

Instead of attaching numerous documents, I am including the links to relevant documents posted on the web.

To gain a basic understanding of credit scoring practices, please read “**Credit Scoring Basics,**” posted at <http://www.fight-back.us/forum/index.php?showtopic=47>.

### **Congress should immediately:**

- order the regulators to enforce the FCRA, investigate willful and continual violations by CRAs and data furnishers and order immediate compliance.
- amend the FCRA to void mandatory arbitration clauses.
- order the regulators to learn how credit scoring works by investigating individual consumer complaints.

**This should be accomplished by the end of 2004, not 2005.**

I have already conducted extensive research for several years, the regulators only need to verify the authenticity of my documentation and apply a little bit of common sense.

**An ECOA credit scoring study could possibly be useful AFTER:**

- Capital One, Bank One and Target (Retailers National Bank) complied with the FCRA.
- the many millions of affected accounts have been corrected in all credit files.
- Fair Isaac and other score vendors complied with the orders to eliminate absurd score factors such as inquiries.

**According to Fair Isaac, its FICO scores are utilized in over 75% of all credit decisions.**

Why should a credit score be lowered because a consumer applied for a job or moved and ordered electric, water and telephone service?

**According to a credit score designer, one inquiry can lower the scores by 35 points!**

In my own extensive research I learned that a single inquiry often lowers already low scores by 15 to 25 points while it has no impact at all on scores above 700.

On 8/13/04 Hurricane Charlie devastated Florida. Do you think we should study the effects of the disaster? Or should immediate actions be taken to assist the people who were harmed?

The damages caused by Charlie pale compared to the damages inflicted on hard working Americans while you “study” the effects of credit scoring.

Consumers lose their homes to foreclosure, lose their savings, lose all hope – on a daily basis and nobody cares.

Financial problems are major contributing factors to divorces, spousal and child abuse, suicides and murders.

**It is time for immediate action!**

**B. The Regulators must be Ordered to Enforce Consumer Protection Legislation**

**1. Capital One maliciously disregards the FCRA with the regulators’ approval**

Capital One has almost 50 million credit card accounts and specializes in “sub prime” (predatory) lending to consumers with bad credit. Capital One deliberately ignores the FCRA requirement for complete and accurate reporting, resulting in artificially low credit scores for their customers.

