



July 16, 2004

Federal Trade Commission
Office of the Secretary
Room H-159 (Annex Q)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: FACT Act Section 318(a)(2)(C) Study, Matter No. P044804

Dear Sirs and Madams:

The Mortgage Bankers Association ("MBA") appreciates the opportunity to comment on the Federal Trade Commission's ("FTC") Notice and Request for Comment ("RFC")¹ to aid the FTC staff in preparing "a study of the effects of requiring that a consumer who has experienced an adverse action based on a credit report receives a copy of the same credit report that the creditor relied on in taking the adverse action."² The study is mandated by Section 318(a)(2)(C) of the Fair and Accurate Transactions Act of 2003 ("FACTA").

MBA recognizes the appeal of providing the consumer with the actual credit report used by the lender in making the adverse credit decision, but believes that, in practice, the report could actually confuse consumers rather than assist them in understanding how the credit report affected the decision.

Our major concerns are as follows:³

- If consumers were routinely provided a copy of the report, many consumers would assume that the credit report was the only, or at least the major factor, contributing to the adverse action. They would be likely to focus on items in the report that had a minor impact on the credit decision and disregard other factors that were more important in reaching the decision. Consumers may not be aware, for example, that issues such as the amount of unused remaining credit on a non-delinquent account can be more important than minor delinquencies that occurred several years previously. Moreover, in the mortgage industry, non-credit report factors play a

¹ 69 Fed. Reg. 33387 (June 15, 2004).

² 69 Fed. Reg. at 33387.

³ Where our comment is responsive to a specific question in the RFC, the question number is noted.

