

January 31, 2008

Federal Trade Commission
Office of the Secretary
Room 159-H (annex C)
600 Pennsylvania Avenue, NW
Washington, D.C. 20580



Subject: Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies under Section 312 of the Fair and Accurate Credit Transaction Act, Project No. R611017

Dear Federal Trade Commission:

Boeing Employees' Credit Union (BECU) appreciates the opportunity to provide comments on the proposed rules regarding Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies. BECU is a state-chartered, federally insured credit union with assets of \$7.5 billion and a membership base of over 500,000. Being a state-chartered credit union brings us under your version of the proposal.

Here are our comments on your questions:

1. Should the definition of "accuracy" specifically provide that accuracy includes updating information as necessary to ensure the information is correct?

Yes, terms and conditions of the loan may change (including the removal of joint obligors, payment amounts) over the life of the loan. It is important the data furnishers have the capability to update data as necessary.

2. The Regulatory definition approach (RDA) and the Guidelines definition approach (GDA) provide different definitions of "integrity." Which definition do you prefer and how would that impact the quality of the information, the burden on you, and the benefits to consumers and why?

We prefer the GDA's definition of integrity. Currently, all information is not reported to the credit bureaus (i.e. payment amount on revolving accounts). Under the RDA's definition, we would be required to report the payment amount on revolving accounts. This payment amount can change every month which would provide a more accurate picture of the consumer's payment capacity.

3. Should the definition of "accuracy and "integrity" be in the rules or in the guidelines? If the term "accuracy" is defined in the guidelines under the GDA, should the definition also apply to the provisions of the rule regarding direct disputes?

In our opinion, the definitions should be in the guidelines and should also apply to direct disputes.

4. The required policies and procedures to ensure the accuracy and integrity of information provided to credit bureaus must be in writing. What effects or burdens will this impose on credit unions and smaller furnishers of information to credit bureaus?

We have procedures for our processes and believe this supports our staff in need of direction and in time of litigation. However, we believe there should be a format prescribed by the FTC for lenders to follow. If each data furnisher created their own version of policies and procedures, each would have their own interpretation of the "rules and guidelines" and the process would be inconsistent from furnisher to furnisher; making it confusing to the consumer. We understand that smaller institutions process may not be as complex as the larger institutions and the volume would differ, but the basic steps should be the same.

5. In the GDA, one of the components of the policies and procedures is that the furnisher maintains its own records for a reasonable period of time, no less than any applicable recordkeeping requirement, in order to substantiate the accuracy of any information that may be subject to a direct dispute by the consumer. Should a time period be specified?

We feel it would be beneficial to set a specified time period. The most crucial information to consumers is the history for the last 24 months the data is reported and we recommend that disputes be retained for that amount of time. Longer time frames make it more labor intensive to retrieve data for validation as well as storage space to keep the records.

6. For the provisions of the rule that identify the circumstances in which a furnisher is required to investigate a dispute, based on a direct request by the consumer, these provisions permit "direct disputes" in nearly all situations with respect to the types of information typically provided by the furnisher to the credit bureau, while providing certain exceptions for disputes that should more appropriately be directed to credit bureaus. This is based on an expectation that consumers should be able to submit disputes to the furnisher if it relates to information for which the furnisher is responsible. Is this the correct approach? Would a more targeted approach be more appropriate?

We believe that requests sent through an uninterested and unrelated third party provide a venue for consumers to ensure the requests are acknowledged. It also provides the data furnishers with a consistent format to review for disputes. We feel if there was a specific required format to the way disputes are submitted to the furnisher then we would be fine with the disputes coming directly to us. In our opinion, if there was a formal process of disputing directly to the furnishers, there wouldn't be a huge impact to our staff. However, if there weren't any specific requirements put in place for direct disputes to furnishers, (i.e. allowing consumers to just call the furnisher, not have a copy of their report, requests coming in multiple ways which would require research and deciphering the requests), this could add significant work and may require additional full-time employees. It is difficult to quantify the impact as it would be a complete change in process. Currently, the E-oscar disputes are quick and efficient to respond to, all others (submitted to us directly) can take 3 times the effort. We currently receive 25-30 E-oscar requests per day and between 7-10 direct consumer requests per day.

7. Are there circumstances in which it would not be appropriate for a consumer to submit a direct dispute notice to the address of the furnisher that is provided on the credit report? Should certain types of addresses be specifically excluded under the rule, such as a business address that is used for reasons other than for receiving correspondence from consumers, or business locations where business is not conducted with consumers? Should furnishers be permitted to notify consumers orally of the address for direct disputes and, if so, how can oral notices be provided clearly and conspicuously?

If address standards were in place ensuring that there were no data entry issues from data requestors, (i.e. addresses hard coded with the subscriber code supplied directly to the credit bureaus from the data furnishers) and the disputes are in writing and in a specific format, we can see no reason that they could not be supplied directly to the furnishers to investigate and resolve.

8. The FTC plans to inform consumers of their right to assert disputes directly with furnishers by updating its General Summary of Consumer Rights, a publication that credit bureaus provide to consumers. Are there other means in which this information should be provided?

Information could be provided in the furnishers' Loan Agreement/Contracts informing the consumer of their options.

9. What impact will the rules and guidelines have on your current resources, including personnel? Is there an alternative approach that would be preferable, which would achieve the same goals? Are there other ways in which the burdens may be minimized?

If guidelines include that ALL disputes must be submitted in writing in a standardized format for consistency of information needed, methods internally were created to accept these requests (possible electronic methods including online submission) there would be a benefit to data furnishers as we could set standards for acceptance of disputes and the manner and format of the requests. We would no longer be required to respond to repeat disputers as we are currently doing with the E-oscar program. We would also request that consumers provide a copy of their credit report indicating the information that they are disputing so that we have a clear direction and understanding of their request.

Thank you for allowing us the opportunity to provide comments on this proposal. We look forward to the outcome.

Sincerely,

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President and CEO

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