

From: Credit Resources, Inc., Debera J Phinney

Subject: Study on Credit Bureaus Handling of Disputes

Date: Sep 18, 2004

Proposal: Notice of Study and Request for
Information - Fair and Accurate Credit Transactions of 2003 (FACT Act)
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Comments:

@@@As the President of Credit Resources, Inc., an independant mortgage credit reporting agency I am appalled at the flagrant violations of the FCRA by the credit repositores, creditors and collection agencies.

1. The bureaus and creditors predominately handle consumer disputes electronically whereby minimizing a consumer dispute to a 2 digit code reason that summarizes the request (ie: not consumers account, account paid etc) This information is sent electronically to the creditor who repsonds electronically also with a code (ie: verified as reported, verified by SS#, etc) These accounts are NOT being investigated by ANYONE. The creditor is simply returning the SAME information that was originally reported back to the bureaus. This is a grossly flawed system.

2. The bureaus refusal to investigate information. The credit bureaus routinley refuse to re-investigate disputes if the consumer has previously disputed an account. Under the FCRA they MUST comply by investigating each and every dispute but they DO NOT.

3. Collection agencies are permitted to report inaccurate and incomplete information to the bureaus. Many collectin agencies either omit the original last activity date from the original creditor or blatantly LIE about this date to keep the account on file with the bureaus. Another method used by collection agencies is to "sell" their accounts to another collection agency who the also "re-ages" the account. Due to this practice a consumer can end up with multiple entries on their credit file originating from ONE negative account, thus damaging their credit scores.

3. Inquiries-the credit bureaus REFUSE to investigate credit inquiries. This is a violation of the FCRA. Personally, I do not feel that inquires should not be taken into consideration in credit scoring, as they are now, since they are NOT credit information. But at the very least the bureaus should be mandated to investigate these as they would any credit account.