



**SHRIVER
CENTER**

Sargent Shriver National Center on Poverty Law

September 17, 2010

Pavneet Singh
Federal Trade Commission
Office of the Secretary
Room H-135 (Annex M)
600 Pennsylvania Avenue, NW
Washington DC, 20580

Re: Comments on FACTA Notices, Project No. P105408

1. Appendix F to part 698- General Summary of Consumer Rights
2. Appendix G to part 698- Notice of Furnisher Responsibilities
3. Appendix H to part 698- Notice of User Responsibilities

Mr. Singh:

I am writing from the Sargent Shriver National Center on Poverty Law (Shriver Center), a Chicago-based non-profit policy development and advocacy organization, to comment on revisions to sections 609(3) of the Fair Credit Reporting Act (FCRA) which requires a summary of consumer rights, and section 607(d)(2) of the FCRA which requires notices of responsibility for persons that furnish information to consumer reporting agencies and notices of responsibility for persons that obtain consumer reports from consumer reporting agencies. Our comments also address attempts to improve the clarity and usefulness of the documents for consumers, furnishers and users.

We commend the Federal Trade Commission (FTC) for proposing these revisions that will reflect new provisions of the FCRA enacted under the Fair and Accurate Credit Transactions Act of 2003 (FACT Act). For many years, advocates have pushed for reforms to improve the effectiveness and accuracy of the credit reporting process. Some estimates state that close to 80% of all credit reports contain some type of error or inaccuracy. Unfortunately, the ability to fix such errors has been questionable given credit bureaus historically lax dispute resolution system. Inaccurate credit scores pose huge barriers for individuals aspiring to improve their credit score and acquire assets. We feel that the FTC's commitment to revising provisions of the FACT Act is one step toward enabling families to understand and navigate the credit reporting system.

We, therefore, support the FTC's revisions to the FACT Act and suggest some recommendations for improvement as follows:

I. Section 609(3) Summary of Rights

We applaud the FTC for making changes to the Summary of Rights to provide consumers with more information about their rights under FCRA. Specifically, we agree with the proposals to clearly state the consumer's right to dispute information in their consumer report directly with the furnisher that provided the erroneous information, as well as the credit reporting agency (CRA). We agree with directing consumers to the FTC's website for more information on disputing information on a consumer's report. In addition, we agree with printing the Summary of Rights in larger text, with shorter sentences and in a simplified layout.

We would like to suggest the following improvements to the proposed rule:

We encourage the FTC to push for more transparency of the credit reporting process for consumers. One way this could be accomplished is by adding a sentence under “Your Rights Under the Fair Credit Reporting Act” which lists the types of companies and businesses that report data to credit reporting agencies including, but not limited to financial institutions, medical service providers, payday lenders, car loan companies, telecommunication and utility companies and any other companies that extend credit. This will ensure that consumers have a clear understanding of what potential information could be reported to creditors.

Under the section “Get your credit report”, last bullet point, the notice should include suggested prices for obtaining a report from a consumer reporting company. Under the section, “Get your credit score”, the notice should include suggested prices for obtaining a credit score from a consumer reporting company. These measures will prevent consumers from exploitative pricing and scams when attempting to obtain an additional credit report or their scores.

Under the section “Additional Rights” a number or website to a legal service organization or foundation should be provided for low-income consumers in need of representation.

II. Section 609(d)(2) User Notice

We agree with the steps the FTC has taken to address notification details for users of credit reporting agency information. Specifically, we agree with requiring details about information related to risk-based pricing notices and the new obligations for users related to addressing discrepancies and medical information. Actions to make notifications more precise are also to be commended including the addition of the

III. Section 609(d)(2) Furnisher Notice

We applaud the FTC for making furnisher notice details more stringent by requiring that disputes be addressed with a consumer directly. This is one way of establishing policies and procedures that ensure accuracy and integrity of consumer information reported to CRAs. However, we would like to suggest the following changes:

Under “To Investigate Disputes” bullet point two should reflect a more definitive time frame to respond to the consumer regarding the results of the investigation. We suggest no longer than a 60 day window. The third bullet point should also include a more specific deadline, such as between 30-60 days. Subsequent mentions of time should all include specific guidelines by which to report results of an investigation.

We strongly recommend that the FTC work closely with federal regulators to ensure that these provisions are strictly and consistently enforced.

The proposed revisions to the FACT Act will make it easier for consumers to read and understand their rights. This is a major step in addressing some of the barriers consumers face when trying to improve their credit or file reports against erroneous claims that negatively impact their scores. Despite the many challenges to ensuring credit report errors are corrected and the fact that consumers historically have had difficulty suing for violations of FCRA, simplifying the rules so consumers understand their rights is the first step to addressing this problem.

Sincerely,

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