



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Privacy and Identity Protection

**VIA FEDERAL EXPRESS
SIGNATURE REQUESTED**

March 13, 2013

NAME, TITLE
COMPANY
ADDRESS
CITY

Dear:

This letter concerns your company's website, [insert URL], which provides tenant rental history reports. We want to make you aware of the requirements of the Fair Credit Reporting Act ("FCRA"),¹ a federal law enforced by the Federal Trade Commission ("FTC" or "Commission"), so that you can ensure your website and practices are in compliance with the law.

If you assemble or evaluate information on individuals' rental histories and provide this information to landlords so that they can screen tenants, you are a consumer reporting agency ("CRA") that is required to comply with the FCRA. The reports you provide are known as "consumer reports."

In the event that you are a CRA, the FCRA requires you to take several steps to ensure the fairness, accuracy, and confidentiality of the consumer reports you provide. For example, you must take reasonable steps to ensure that each landlord to whom you provide a consumer report is in fact using the report for tenant screening purposes, and not as a pretext for an impermissible purpose (e.g., for spying on a neighbor or marketing to potential tenants).² You must also take reasonable steps to ensure the maximum possible accuracy of the information you provide.³ Further, you must provide consumers with copies of their reports upon request and allow them to dispute information that they believe is inaccurate.⁴

If you provide consumer reports on a nationwide basis, you must also provide consumers with a free copy of their report annually, upon request.⁵ You must establish a streamlined process for consumers to request these free annual reports, including a toll-free telephone number for consumers

¹ 15 U.S.C. § 1681 *et seq.*

² 15 U.S.C. § 1681b; 15 U.S.C. § 1681e(a).

³ 15 U.S.C. § 1681e(b).

⁴ 15 U.S.C. § 1681g; 15 U.S.C. § 1681i.

⁵ 15 U.S.C. § 1681j(a)(1)(A).

to make such requests.⁶

You also have obligations related to the landlords that use your consumer reports, as well as the sources of information for these reports.⁷ For example, you must tell landlords that if they deny housing on the basis of the consumer reports you provide, they must provide the applicant with notice of that fact, along with information about the applicant's right to receive a free copy of his or her report, and the applicant's right to dispute information they believe to be inaccurate. A model notice is available in 12 Code of Federal Regulations § 1022, Appendix N. In addition, you must notify the sources of your information of their obligation to furnish accurate information to you, to investigate consumer disputes, and to correct and update information found to be inaccurate. A model notice is available in 12 Code of Federal Regulations § 1022, Appendix M.

At this time, we have not evaluated your company's practices to determine if they are in compliance with the FCRA. However, we encourage you to review your websites and your policies and procedures for compliance. You may find the full text of the FCRA and more information about the FCRA on the FTC website at <http://business.ftc.gov/privacy-and-security/credit-reporting>.

The Commission reserves the right to take action against you based on past or future law violations; your practices also may be subject to laws enforced by other federal, state, or local law enforcement agencies. A violation of the FCRA may result in legal action by the FTC, in which it is entitled to seek injunctive relief and monetary penalties of up to \$3,500 per violation.⁸ If you have any questions, please contact Tiffany George in my office at (202) 326-3040.

Sincerely,

Maneesha Mithal
Associate Director
Division of Privacy and Identity Protection

⁶ 15 U.S.C. § 1681j(a)(1)(C); 12 C.F.R. § 1022.137.

⁷ 15 U.S.C. § 1681e(d).

⁸ *See, e.g., United States v. First Advantage SafeRent, Inc.*, No. 8:10-CV-00090-PJM (D. Md. Jan. 14, 2010) (consent agreement for civil penalties for \$100,000 for violations of the FCRA), available at <http://www.ftc.gov/os/caselist/0823016/index.shtm>.