

# THE FINANCIAL SERVICES ROUNDTABLE

*Financing America's Economy*



1001 PENNSYLVANIA AVE., NW  
SUITE 500 SOUTH  
WASHINGTON, DC 20004  
TEL 202-289-4322  
FAX 202-628-2507

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E-Mail [info@fsround.org](mailto:info@fsround.org)  
[www.fsround.org](http://www.fsround.org)

Federal Trade Commission  
Office of the Secretary  
Room H-135 (Annex M)  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580  
via Internet: [ftcpublic.commentworks.com/ftc/fcrarevisednotices](http://ftcpublic.commentworks.com/ftc/fcrarevisednotices)

## **RE: Summary of Rights and Notices of Duties Under the Fair Credit Reporting Act, RIN 3084-AA94**

Dear Sir or Madam:

The Financial Services Roundtable<sup>1</sup> (“Roundtable”) submits this letter in response to the Federal Trade Commission’s (FTC) request to receive public comments in response to its proposed changes to Summary of Rights and Notices of Duties Under the Fair Credit Reporting Act. The Roundtable appreciates the opportunity to share our comments with the FTC on this important issue.

### **General Comments:**

The Commission specifically has requested input on areas where the understandability of the revised Summary of Rights could be improved. The Financial Services recommends that the Commission replace “pre-approved offers of credit” with “pre-screened offers of credit” as more fully described below.

The FCRA obligates Consumer Reporting Agencies, not banks, to deliver the notices that are the subject of the rulemaking. Nevertheless, banks have a vested interest in ensuring the notices accurately reflect rights and obligations under the FCRA. In the proposed new model Summary of Rights for consumers, the FTC articulates consumers’ right to opt out of prescreened offers as a right to “STOP *pre-approved* offers of credit” (emphasis added). This language appears in the bulleted summary of consumer rights and also in the proposed subsection entitled “STOP PRE-APPROVED OFFERS OF CREDIT,” which states: “Companies may use your credit report to send you ‘pre-approved’ offers of credit or insurance that you did not ask for. You may choose to stop these offers by calling 1-888-5-OPTOUT....” This amends the existing Summary of Rights language which refers instead to stopping “‘pre-screened’ offers.” This is also a departure from the commission’s Model Pre-screen Opt Out-Notice, which is prominently

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<sup>1</sup> The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America's economic engine, accounting directly for \$74.7 trillion in managed assets, \$1.1 trillion in revenue, and 2.3 million jobs.

disclosed to consumers on the first page of prescreened offers, and tells consumers that they can “choose to stop receiving “pre-screened” offers of credit or insurance.”

Using the term “pre-approve” in place of “pre-screen” in this context may confuse consumers because it is inconsistent with the Model Pre-screen Opt-Out Notice. Moreover, a consumer who opts out of pre-screening may in fact continue to receive certain pre-approved offers. This is because some financial institutions “pre-approve” consumers without pre-screening them as that term is defined in the FCRA. For example, based on a bank’s direct experience with an existing customer, the bank may elect to “pre-approve” the customer for a particular product without actually pre-screening the consumer.

We urge the Commission to remain consistent with its Model Pre-screen Opt-Out Notice and use the term “pre-screened” instead of “pre-approved” in the final Summary of Rights language in order to more accurately convey the substance of the right conferred.

The Roundtable appreciates the opportunity to comment on the FTC’s proposal. Thank you in advance for considering our comments. If you have any questions, please feel free to contact me or Brian Tate at (202) 289-4322.

Sincerely,

Rich Whiting  
Executive Director and General Counsel