

From: "Cliff Merritt" <cmerritt@deltabk.com> on 04/21/2004 12:10:07 PM
Subject: Fair Credit Reporting

I am writing to vehemently object to the proposed changes to Regulation V (Fair Credit Reporting) contained in Section 217 of the FACT Act. The requirement to provide customers a separate notice that negative information is being reported to a credit reporting agency is onerous, redundant, and unnecessary.

From the earliest levels, individuals are taught to "protect your credit rating". Individuals are constantly reminded that credit performance, both good and bad, is reported to credit reporting agencies and that virtually every grantor of credit uses these reports to grant additional credit. There are numerous sources of free copies of credit reports, and every credit grantor is required to provide adverse action when denying credit for information contained in a credit report.

An additional notice simply adds to an already overburdened system, creates additional paper that no one will read, and will ultimately add to the cost of obtaining credit for everyone, including the 97% of people in the world who have good credit.

The proposed notice serves no useful purpose, even though text alluded to "combat identity theft". It would not deter identity theft, and in virtually every case, identity theft is discovered long before it is reported to a credit reporting agency (usually when cards hit limits are the perpetrators are stopped by fraud prevention measures already in place). Besides, once it hits the credit reporting agencies, there are already mechanisms in place to repair and correct incorrect information.

At some point, we have to hold people accountable for their own actions and depend on systems already in place to correct erroneous information. This is extremely bad legislation, it will help no one, and will eventually cost everyone more.

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