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Proposal: Interagency Advance Notice of Proposed Rulemaking:  
Procedures to Enhance the Accuracy and Integrity of  
Information Furnished to Consumer Reporting Agencies  
under Section 312 of the Fair and Accurate Transactions  
(FACT) Act

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Comments:

We (my husband and I) have had the unfortunate situation of being naive to how credit works and its impact on our future financing needs. Creditors have learned to work the system to their advantage. Especially sub prime lending for the more inaccuracies in a consumer's credit the more it feeds their industry. Over the past 10 years or so we have experienced it all and have been fighting with credit bureaus and creditors to clean up our credit. It is a vicious and growing process that reeks little success and unfortunately forces us into higher interest rates, tighter cash flows, and less to save for our future and our kids future. Below is what we have discovered: First scenario: Problem: -Credit bureaus do not listen or accept consumer's proof of the correct information. In fact we were told many times "if the creditor verifies that it is reporting correctly then we have to report it that way" -If you have had delinquencies at any point during your mortgage, sub prime mortgage companies have automatically magnified the delinquencies (ie: a 30 day late gets inaccurately reported as a 60 or 90 day late.) and upon payoff of the loan, they report several 120 day lates that are also inaccurate. --I had student loans that were paid off in 1/2002 and reporting correctly as paid zero balance with correct close date, then in 7/2003 creditor started reporting me 150 days late. This occurred for 1 1/2 yrs before I noticed it. It took me 2 yrs fighting with the creditor and bureaus to get this fixed. Recommendation: -There should be some checks and balances in place to prevent this from occurring in the first place. -For disputes, creditors should have to show the bureaus and consumer proof to their delinquency claims. -For disputes, consumer proof should be accepted especially when court documents are involved. Second Scenario Problem -Creditors are misusing the "Account Status" and "Current Status" inappropriately on closed accounts. They know that Current status reflects a snapshot in time as to the last update to that record so Creditors are neglecting to update after a delinquent activities when an account is brought back to a current status. Recommendation -A closed account should be forced to accept "CO", "Paid as agreed", "Payment

Plan”, “FC”, or “R” as a final month history indicator. Third Scenario Problem -Creditors are misusing the “Charge Off” (CO) monthly history indicator. As far as I am aware of, a company can only write off a loss once and not each and every month thereafter. I have seen month over month COs over a two year period hence damaging the credit more than it should be. Recommendation - Bureaus systems should not allow a duplicate CO on an account. It should automatically kick it back. Fourth Scenario Problem -Scoring – for disputed items, curing time should be equated in new score. --Example: An account gets inaccurately reported delinquent in May of 2004 dropping a score by 80 points. However, this is not discovered by consumer until February of 2006. Consumer disputes the item and it gets corrected however, the score only goes up 20- 40 points. Recommendation -Score should automatically add the 80 points back in the account for the curing time till 2/2006 and adjust score accordingly. Thank you for listening....