From: "sickandtired CryptoMail User " <sickandtired@cryptomail.org> on 09/12/2004 03:25:50 PM

Subject: Study on Credit Bureaus Handling of Disputes

RE: Notice of Study and Request for Information - Fair and Accurate Credit Transactions of 2003 (FACT Act) [OP-1209]

Although I could list an ongoing litany of problems, please consider the following more glaring non-compliance issues when formulating and carrying out your Study:

A. The major consumer reporting agencies (CRA's), primarily TransUnion (TU), Equifax (EQ), and Experian (EX) are grossly deficient in complying with the FCRA as follows:

1. Date of last activity: on negative accounts this date determines the beginning of the 7 year reporting period. Only EQ lists it on its credit report sent to consumers. EX and TU do NOT list it. Therefore the consumer cannot begin to determine the accuracy of the reported negative item on EX and TU reports

2. Disputes:
   a. Online disputes: all 3 CRA's provide for "online" disputes via their websites. Only TU sends an acknowlegement email back to the consumer verifying that the dispute has been received. EQ and EX do not send a verification. EQ and EX, when later telephoned by the consumer regarding a submitted online dispute, will consistently deny that the dispute was ever submitted.
   b. Disputes via mail - unless a consumer submits a mail dispute via certified mail, return receipt requested, the CRA's will deny receiveing the dispute. If multiple credit report items are disputed in a single mailed request the CRA's will almost always investigate ONLY ONE of the items.
   c. Telephone disputes: again, the CRA's will later deny that a dispute was received.

3. Investigations:
   a. When a consumer disputes a credit report item with a CRA the CRA rarely does anything more than verifying that the item information reported on the consumers credit report matches the information submitted to the CRA by the furnisher. Many times the furnisher is not even contacted. Instead the CRA "verifies" the information against its "tape" of already furnished information. The ACCURACY of the disputed information IS MANY TIMES NOT CHECKED by the CRA or furnisher!
   b. If a consumer receives a deficient CRA response to a dispute and once again protests the ACCURACY of the information the CRA's consistently refuse to re-investigate. They will assert that the consumer's request has "already been investigated" or that the request is "frivolous".

B. Collection agencies (CA's) and junk debt buyers (JDB's):
1. CA's and JDB's CONSISTENTLY and illegally "re-age" defaulted debts they have purchased. That is, they change the "date of last activity" noted by the original creditor to the date that they (the CA/JDB) purchased the defaulted debt. This action illegally extends the 7 year reporting period for negative information in the consumer's credit report.
2. CA's and JDB's CONSISTENTLY and illegally list with the CRA's that "collection accounts" are some other type of account (i.e. "open end", "installment", etc.) in an effort to further negatively impact a consumer's

credit.

3. CA's and JDB's CONSISTENTLY and illegally refuse to "validate" a debt upon a consumer's request. It is almost impossible for a consumer to receive information proving that the consumer actually owes the alleged debt claimed by the CA/JDB.

C. FICO: Fair Isaac is inconsistent in the data it uses from the CRA's as input for its FICO model calculations. Therefore, the FICO scores do not accurately reflect a consumer's true "rating". An example: EX does not furnish "date of last activity" of a negative item to FICO for use in its calculations. Instead, FICO uses EX's "date of status", which is the date that a furnisher of information last reported that information to EX. Obviously, the use of the "date of status" (which is subject to change to a more recent date) instead of the "date of last activity" (which is generally not subject to change) causes a consumer's EX FICO score to decrease. This scenario occurs frequently: A consumer who disputes an item with EX will cause the "date of status" to change when the item is investigated and "updated". This will cause the consumer's EX FICO to drop. This is blatantly unfair!

D. Original Creditors (OC's): Most notably the institutions issuing 3rd party credit cards fail to "charge off" a bad debt in a timely manner as specified in law and regulations. This illegal delay in charge off further negatively impacts consumers by delaying the beginning of the 7 year reporting period for negative information.

I would suggest that your Study include some kind of "sting" operation so that you can gain firsthand knowledge that what I have said here is true.

Thank you for your time.

Sick and Tired
(name and address witheld for privacy concerns)

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