

April 14, 2011

By Electronic Delivery

Jennifer J. Johnson, Secretary,
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, DC 20551
Attention: Docket No. R-1407 and RIN 7100-AD66

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex M),
600 Pennsylvania Avenue, NW.
Washington, DC 20580
Attention: Project No. R411009

Re: FCRA Risk-Based Pricing Rule Amendments

Ladies and Gentlemen:

This letter is submitted on behalf of Wolters Kluwer Financial Services (“WKFS”) in response to the Notice of Proposed Rulemaking (“Proposal”) published in the Federal Register on March 15, 2011 on the above-referenced rule changes. The Proposal requested public comment on the design and content of the new model risk-based pricing forms. WKFS appreciates the opportunity to comment on this very important matter.

WKFS provides compliance solutions including deposit, lending, and IRA documents, disclosures, software, training, and support services to thousands of financial institutions, including the vast majority of banks in the U.S. In addition, many core processors and software developers use WKFS’ compliance-related documents and other components in their products. Included in WKFS’ solutions are risk-based pricing disclosures that meet the requirements of the Fair Credit Reporting Act.

WKFS supports the agencies design of the proposed new model forms. The existing H-1 and H-2 forms and B-1 and B-2 forms serve the original purpose of the risk-based pricing requirements very well. They are also designed in a way that promotes increased consumer comprehension. These are forms that are primarily intended to alert the consumer that the terms that they are being offered are less favorable as a result of their credit reports. So that information, along with educational material regarding credit reports, should logically appear on the first page before the additional information on credit scores in the H-6 and H-7 and B-6 and B-7 forms.

Putting the credit score information in a discrete grouping on the second page also furthers the consumer’s understanding of that information as being logically related and helps avoid consumer confusion between the concepts of “credit report” and “credit score” information.

In addition, since the H-1 and H-2 and B-1 and B-2 forms will continue to be used when the additional content requirements do not apply, having the new credit score information located together on the second page will promote ease of use and reduce staff training for institutions that use those forms for some accounts and the new forms for other accounts. This is particularly important in light of the relatively short implementation period necessitated by the upcoming effective date.

Although the proposal's determination that the new forms must be provided separately to multiple consumers makes sense, there is some confusion in the industry over exactly what it means to provide the notices "separately" for individuals living at the same address. It would be helpful to clarify whether that means that two separate forms may be sent in the same envelope, or whether entirely separate mailings are required in separate envelopes.

In conclusion, WKFS supports the proposed design of the new model forms and encourages either issuance of final rules as quickly as possible, or in the alternative, a period of optional compliance that extends beyond the mandated effective date.

If you have any questions concerning these comments, or if we may be of any assistance in connection with this matter, please do not hesitate to contact me at (320) 240-5769.

Sincerely,

Theodore D. Dreyer
Senior Attorney