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April 14, 2011

Via email
Jennifer J, Johnson Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitutions Avenue, NW
Washington DC 20551

Via weblink
Donald S. Clark
Federal Trade Commission
Office of the Secretary Room H-113 (Annex M)
600 Pennsylvania Avenue, NW
Washington DC 20580

Re: Docket No R-1407/RIN 7100-AD66 (Federal Reserve Board)
RIN/Project Number R411009 (Federal Trade Commission)

Dear Ms. Johnson and Mr. Clark:

The California Bankers Association (CBA) submits this letter on behalf of its members, which are most of the FDIC-insured depository financial institutions that do business in the state of California. CBA is a nonprofit organization established in 1891 and frequently provides comments on regulatory proposals that affect the banking industry. Section 1100F of the Dodd-Frank Act amends section 615(h) of the Fair Credit Reporting Act to require that creditors disclose additional information in risk-based pricing notices. Specifically, a person must disclose a credit score used in making a credit decision and information relating to such credit score, in addition to the information currently required by section 615(h) of the FCRA, as amended by Section 311 of the Fair and Accurate Credit Transaction Act. This proposal ("Proposed Rule") comes in the heels of the January 2010 rule related to disclosure of credit reports, which became effective as of January 1 this year.

We believe that the Proposed Rule appropriately implements Section 1100F. We agree with the Agencies' conclusion that if a credit score is not used in the credit decision, then no credit score disclosure is required. The notice in such a situation would be irrelevant and could lead to consumer confusion and misunderstanding. We also agree that a creditor is not required to disclose a credit score and related information to any person, such as a guarantor or co-signer, other than the consumer applying for the credit. And we agree that even if a credit score of such third parties is used, disclosure of their score to the applicant is outside of the scope of Section 1100F because the consumer is thereby afforded with no relevant information about the nature of

the consumer's score and how it is constituted. Such a disclosure also presents unnecessary privacy concerns.

Section 1100F also requires that the FCRA adverse action notice include the credit score information. We are concerned that creditors would be burdened with having to provide two separate credit score notices to consumers, a burden that is not offset by any additional benefit to consumers occasioned by multiple disclosures. It should be clarified that a creditor is not required to provide a credit score with an adverse action notice if the disclosure had previously been provided with the risk-based pricing notice.

In light of the new requirements that had just become effective in January, CBA requests that the Agencies seriously consider delaying the mandatory compliance date of the Proposed Rule until at least nine months after issuance of the final rule. Each new rule takes time for the affected entity to learn and adopt. Systems have to be revised and tested; personnel have to be trained. As the Agencies well know, many new laws and regulations have been issued in the last several months and many more are scheduled to become effective as of the designated transfer date of July 21, 2011. For these reasons, creditors and other affected parties need additional time to prepare for compliance.

Thank you for this opportunity to offer comments.

Sincerely,

Leland Chan
General Counsel