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John W. Blenke
Executive Vice President
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August 26, 2013

Robert deV. Frierson, Secretary,
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW.
Washington, DC 20551.

Re: Comment on Proposed Agency Information Collection Activities;
Federal Register Volume 78, Number 122; Tuesday June 25, 2013
FR Y—14A; FR Y—14Q; FR Y—14M

Dear Mr. Frierson:

This comment is submitted on behalf of TransUnion, LLC (“TransUnion”), one of the three consumer reporting agencies that compiles and maintains files on consumers on a nationwide basis (as defined under 15 U.S.C §1681a(p)). TransUnion, as part of its business model, develops and sells credit scores derived from information contained within a consumer report to financial institutions. These credit scores may be proprietary to TransUnion or they may be proprietary algorithms of other third-party developers, such as VantageScore or FICO. TransUnion is a part owner of VantageScore Solutions, LLC, the owner of VantageScore.

We note Field Numbers 109 and 110, “Original Credit Score Name/Version” and “Refreshed Credit Score Name/Version”, respectively, of the above referenced documents. We recognize the importance of this information to better understand credit risk profiles of portfolios originated and/or held by financial institutions. However, our concern with this Proposed Information Collection is that it appears the United States Federal Reserve System is implicitly and tacitly promoting one credit score model over all others for purposes of this reporting.

In credit card risk assessment in particular, but also in many retained primary mortgages as well as home equity mortgages, lenders’ use of a particular credit-report-based risk score that has been statistically and empirically validated is a matter of choice. Although TransUnion has offered access to FICO Scores for many years and we acknowledge their significant presence in these markets, federal agencies should not provide biased instructions that would imply that financial institutions must acquire this specific tool or any other specific tool to meet its regulatory obligations. Stating within these forms that a particular credit score should be provided essentially implies that the United States Federal Reserve System endorses that credit risk score and thus it favors that product over all others in a competitive market. The United States Federal Reserve System should not promote monopolistic tendencies in the financial

services industry. It must be neutral in its pronouncements and forms to allow for competition that will drive improvements in the tools used by an institution for its risk weighting analysis.

Specifically, for example, in the Domestic Credit Card Data Collection Dictionary¹, the instructions on line item 38, the “Original FICO Score for the Primary Borrower” provide this description:

Report FICO score or alternative score based on the credit bureau service the institution uses as its source. Original FICO reflects the score upon which the original underwriting decision was based. If the bank does NOT obtain origination FICO scores, map the internal score or other bureau score used to FICO scores, report that score here, provide the score type and version in field 109, and a separate document that is used to map the non-FICO score to the FICO equivalent reported here. For Business Cards, provide the score for the proprietor or primary business owner. If the original FICO score is not available, report as blank.

As noted above, the only product term that appears is “FICO”. “VantageScore” does not appear until items 109 and 110. Since the addition of “VantageScore” reference does indicate the intention to provide an evenhanded treatment and reporting of risk scores used by Bank Holding Companies, we ask that this intention be given greater effect, wherever feasible, throughout these documents. Specifically, we suggest that use of the neutral term “Statistically and Empirically Derived Credit Score” be adopted in place of any location where a proprietary score descriptor is used.

Thank you for the opportunity to comment in this matter. If we can provide further information in connection with this matter, please do not hesitate to contact the undersigned.

Respectfully submitted,



John W. Blenke
Executive Vice President and Corporate General Counsel

¹ FR Y—14M; OMB Number 7100-0341; Expiration Date: October 31, 2015