
**Board Of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of the Comptroller of the Currency
Office of Thrift Supervision**

Joint Release

**NR 2004-32
For Immediate Release
April 23, 2004**

Agencies Issue Proposed Rule on Use of Medical Information for Credit Eligibility

The federal bank, thrift and credit union regulatory agencies today issued for publication in the Federal Register a [proposed rule](#) under the Fair Credit Reporting Act (FCRA) that would incorporate the statutory prohibition on obtaining or using medical information in connection with credit eligibility determinations and, as required by the statute, create certain exceptions to be applied in limited circumstances.

Section 411 of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) amends the FCRA to provide that a creditor may not obtain or use medical information in connection with any determination of a consumer's eligibility, or continued eligibility, for credit, except as permitted by regulations. The FACT Act requires the agencies to prescribe regulations that permit creditors to obtain and use medical information for eligibility purposes when necessary and appropriate to protect legitimate operational, transactional, risk, consumer, and other needs. The FACT Act further provides for the regulations creating these exceptions to be issued in final form within six months of the date of enactment of the FACT Act, or June 4, 2004.

As required by section 411, the proposed regulations would grant exceptions to allow creditors to obtain or use medical information in those circumstances that the agencies believe are necessary and appropriate in connection with determinations of consumer eligibility for credit.

Section 411 of the FACT Act also amends the FCRA to limit the ability of creditors and others to share medical-related information with affiliates, except as permitted by the statute, regulation, or order. The proposed rule would enumerate situations in which creditors would be permitted to share medical information among affiliates.

The proposed rule is being issued by the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency and Office of Thrift Supervision. The rules of each agency are substantively identical.

Comment on the proposed rule is requested within thirty days after publication in the Federal Register. The Federal Register notice is attached.

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[Attachment](#)

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