

THE FINANCIAL SERVICES ROUNDTABLE



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Office of the Comptroller of the Currency
RIN 1557-AD21

Federal Reserve System
RIN 7100-AD18

Federal Deposit Insurance Corporation
RIN 3064-AD40

Office of Thrift Supervision
RIN 1550-AC31

National Credit Union Administration
12 CFR Part 717

Federal Trade Commission
RIN 3084-AA94

Re: Comments regarding *Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies* under Section 312 of the Fair and Accurate Credit Transactions Act of 2003.

Dear Sir/Madam:

The Financial Services Roundtable¹ (Roundtable) appreciates the opportunity to comment on the Advance Notice of Proposed Rulemaking (ANPR) on the *Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies*. We encourage the Agencies' ongoing and thoughtful leadership in implementing balanced and effective consumer reporting standards.

Background

Section 312 of the Fair and Accurate Credit Transactions (FACT) Act, amended by section 623 of the Fair Credit Reporting Act (FCRA), requires the Agencies to issue guidelines for use by furnishers regarding the accuracy and integrity of the information that they furnish to consumer reporting agencies. Final Rules issued by the Agencies on July 1, 2009, define

¹ The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America's economic engine, accounting directly for \$85.2 trillion in managed assets, \$980 billion in revenue, and 2.3 million jobs.

among other things, the terms “accuracy” and “integrity,” and include guidelines concerning what furnishers must consider in developing their policies and procedures to ensure accuracy and integrity.

To that end, an ANPR was issued contemporaneously with the Final Rules which seeks comment on whether any additional information should be provided to a consumer reporting agency in order to promote integrity. The Agencies also questioned whether a furnisher should provide a customer’s account opening date to promote the integrity of the information.

The Roundtable offers the following comments:

- **Accuracy and Integrity Guidelines**

Financial institutions share the mutual goal of providing accurate information to consumer reporting agencies (CRAs). Ensuring the accuracy and integrity of information is beneficial to financial institutions for several reasons. First, the information financial institutions furnish to the CRAs is the same information that the institutions use to make business decisions and manage risks. Second, financial institutions must collect, store, and retrieve accurate data in order to provide critical services to customers. Inaccurate information often leads to customer complaints and/or leads to poor decision making. Third, the accuracy and integrity of information is a regulatory requirement. For example, accurate information is important for compliance with provisions of the FACT Act, including the identity theft "red flags" rule and the address discrepancy rule. For these reasons, financial institutions are aligned with CRAs and the Agencies in their interest in ensuring the accuracy and integrity of information.

- **Voluntary Furnishing of Information**

A guiding principle of the FCRA has been that furnishing data is voluntary. We view continued voluntary reporting efforts as complementary to the goals of ensuring accuracy and integrity.

The voluntary nature of reporting provides furnishers the flexibility to accommodate changes in the type of information that is reported as they see industry trends developing. This flexibility leads to dynamic, industry-driven improvements in credit reporting information. We believe that mandating reporting fields will be counterproductive, at best, and may lead to a few avoidable outcomes: (1) Some furnishers will discontinue reporting; (2) The accuracy and integrity of information will be compromised; (3) Establishing additional or mandatory fields may serve as an obstacle for some furnishers who have invested in reporting systems that do not support the required fields; and (4) Some furnishers may have deliberately chosen not to report certain fields where they have determined that their internal data lacks integrity.

The Roundtable strongly supports the continued ability of financial institutions to self-identify reporting fields. The more extensive the regulatory requirements and burdens placed around information reporting, the more likely it is that some participants in the credit economy will avoid those burdens by simply not reporting at all. That could lead to a number of unintended and undesired consequences, including consumer reports that are less accurate, less informative, and less useful.

We appreciate your commitment to coordinated implementation of the Guidelines, and your consideration of these comments. Should you have any questions, please contact me at 202.589.2410 or sbartlett@fsround.org.

Regards,

Steve Bartlett
President and CEO