YOUNG, SHERON

From: _Regulatory Comments

Sent: Tuesday, May 23, 2006 8:55 AM

To: YOUNG, SHERON

Subject: FW: Ronnie Keith - Comments on Advanced Notice of Proposed Rulemaking Part 717, Fair Credit Reporting--Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies'

From: Ronnie Keith [mailto:ronnie@mortgageprousa.com]
Sent: Monday, May 22, 2006 12:35 PM
To: _Regulatory Comments
Subject: Ronnie Keith - Comments on Advanced Notice of Proposed Rulemaking Part 717, Fair Credit Reporting--Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies'

COMMENTS:

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3. There are three different scores given to a consumer. (1) The consumers credit score. (2) The mortgage industry score, and (3) Insurance industry score. Have credit reporting agencies and others reporting credit scores report **all** of the credit scores to the consumer as part of a consumer paid credit report including (a) consumer scores (b) mortgage scores (c) insurance scores and (d) information sent to employers. In addition, all the information listed above, except the credit scores, should be reported on the annual free credit report. As it currently stands, a consumer can pull their own credit and the scores will not match what the mortgage industry or insurance industry scores are as the two latter rate the consumer differently.

4. Establish same scoring information from different credit reporting agencies. I can pull the credit scores from three different credit resellers at exactly the same time and day on the same consumer and get three different credit scores for that consumer. There must be some way to stop this discrepancy within the credit reseller world.

5. Force creditors to report updated or corrected information within three business days. Not the current 30 days for this and 30 days for that. In addition, once received by the creditor, force the Credit Reporting Agencies to update the scoring model within 48 hours. Creditors may have to use the internet and compatible Credit Reporting Agency software to conform to this, but TIMELY accuracy of consumer credit reporting information is of utmost importance. We live in the computer age. No company needs thirty days to make an update of this type and untimely reporting damages the consumer greatly.

6. Stop Credit Reporting Agencies from selling mortgage inquires to other mortgage companies. Currently some Credit Reporting Agencies are selling information when a credit report is pulled. For example, as a mortgage broker, I pull a customer’s credit. A day or two later, the customer gets calls from several lenders stating that they are aware that the customer is in the process of refinancing or purchasing a home. This confuses the customer. In many cases the customer comes to me to complain that I have given his/her information to others outside my company. Of course I don’t as this would violate our privacy policy. The customer never gives permission to the Credit Reporting Agency to sell his/her credit request activity. Currently, this practice is legal, but it should illegal.

7. When errors are corrected by the Credit Reporting Agencies or creditors, the Credit Reporting Agencies and Creditors must make sure they do not change the date of last activity as this is not a financial transaction and doing so will negatively affect the consumer’s credit scores. Credit scores look at the last six months activity harder than 12 months or more’s activity. If the creditor changes the date of last activity to the date they correct an error, the consumer is then evaluated as if a financial transaction took place within the last six months, when really all that happened was a correction was made.

8. Creditors inability to find a consumer account: If the creditor cannot locate an account within their office that appears on the consumer credit report, then that account information must be removed from the consumer credit report within three business days and updated by the Credit Reporting Agencies within forty eight hours. It is not only unfair, but impossible, for the consumer to prove that they did not have an account with the creditor. I know that they are currently required to do this, but it just doesn't happen.

9. Time to report information: Allow credit reporting agencies no more than 30 days to investigate credit reporting errors, including Creditor response. Allow the Creditors no more than five business days to report back to the Credit Reporting Agencies or any consumer request. With today's automation capabilities, there is no reason this can't happen. Look at what the consumer loses by having to wait 30 to 90 days for their credit report to be updated correctly. Delays in buying a home. Higher interest rates. Etc. Even not being able to move to a different part of the country.

10. Judgements place on a consumer credit are easy to deal with unless, the creditor has gone out of business or is otherwise impossible to locate. In a case such as this, the judgement is almost impossible to get removed without going to court and incurring the cost of attorney fees and waiting for the legal process to take place. Credit Reporting Agencies must be able to locate the original creditor if the consumer tells the Credit Reporting Agency that the company is out of business or they are unable to find the company. If the company cannot be found or is out of business, the judgement must be marked as satisfied or some other course of action favorable to the consumer must take place on the credit report.

11. And finally, impose some penalties on the creditors and/or credit reporting agencies when they fail to follow the law. These penalties should not require the consumer hire an attorney. Currently, Creditors and Credit Reporting agencies simply ignore the law. If you want examples or more information, feel free to contact me.

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