

Congress of the United States
House of Representatives
Washington, DC 20515

October 12, 2004

Honorable Deborah Platt Majoras
Chairman, Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20680

Dear Chairman Majoras:

We write to express our concerns with the proposed rule recently issued by the Federal Trade Commission (FTC) about the notices consumers receive regarding their right to opt out of receiving prescreened solicitations for credit or insurance. Published in the Federal Register on October 1, 2004, we believe that this regulatory proposal ignores an important element of the Fair and Accurate Credit Transactions Act (FACT Act) legislative record. Consistent with all applicable law and regulation, we request that you give consideration to our views as you work to develop the final rule for these notices.

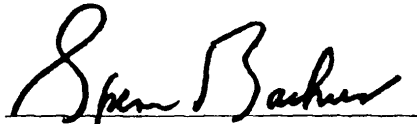
In the FACT Act, Congress charged the FTC to increase public awareness, not only of the right to opt out from receiving prescreened credit offers, but also of the benefits and consequences of making that decision. In order to have any practical value, consumers must have all relevant information at the time they exercise their preference.

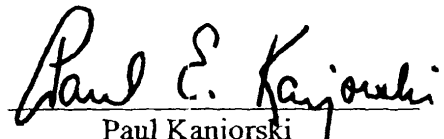
During legislative deliberations last year, many in Congress realized that the consequences of opting out from receiving prescreened offers of credit involve more than simply deciding to limit the number of direct mail pieces delivered to the mailbox.

As a general rule, the longer American consumers are part of the credit reporting system, the better their credit profiles become. In turn, that improved standing qualifies them to receive credit offers more attractive than their existing terms and rates. For many consumers, the only way they become aware of their eligibility for better credit terms is by reviewing the prescreened credit offers that come to them.

Consumers must be informed not only about the mechanics for opting out of prescreened offers of credit, but also about the underlying considerations that must be taken into account before a decision is made. Those with high quality credit profiles may already have available all the credit they need on the best possible terms. For them, the decision to opt out from receiving additional prescreened credit offers could be quite straightforward. However, those who are new to the credit system, and who responsibly pay their bills, may never learn when they qualify for better credit terms if they decide to opt out. Without balanced information about the prescreening option at the time it is presented, consumers could deprive themselves of opportunities for better credit offers.

Sincerely,


Spencer Bachus
Member of Congress


Paul Kanjorski
Member of Congress