

October 18, 2004

Federal Trade Commission

FCATA Prescreen Rule

P.O. Box 1030

Merrifield, VA 22116-1030

RE: FACTA Prescreen Rule, Project No. R411010

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The Florida Association of Mortgage Brokers (FAMB) thanks you for the opportunity to comment for your Prescreen Credit Report Solicitation and Notification Study. FAMB enters this process not only from the viewpoint of Mortgage Brokers, but also as the voice of consumers who come to us seeking home financing.

FAMB's goal in making our comments is to speak to the impact of prescreened credit solicitations on consumers who come to us seeking loans for home purchases or refinances of existing mortgage loans.

FAMB is especially pleased with several of the major goals of The Fair and Accurate Credit Transactions Act of 2003.

Promote increasingly efficient national credit markets

Increase the accuracy of consumer reports.

Bolster efforts to improve financial literacy among consumers.

Exercise greater control regarding the type and amount of marketing solicitations consumers receive.

Enhance the ability of consumers to combat identity theft

Financial Literacy

To bolster efforts to improve financial literacy among consumers, The FAMB Foundation offers free educational seminars to consumers titled "Are You Prepared to Head Down The Road To Home Ownership". Topics covered in this seminar include:

Credit Reports – Defining and building credit.

The importance of obtaining and reviewing your credit report.

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Comments on the Proposed Rule

Your question: “Are the proposed requirements for format and manner of disclosure appropriate and adequate to fulfill the purpose of enabling consumers to understand their right to opt out of receiving prescreened offers?”

Our answer is a resounding No!

Consumers have not been adequately informed that Credit Bureaus let mass marketing companies mine information about consumers from their files and use this information to target specific consumers for the sale of goods and services. Consumers should not have to opt out of receiving prescreened offers. They should give permission before allowing mass marketing companies to search credit files for information about them.

Here are some general comments on how the Federal Trade Commission can take steps to help The Fair and Accurate Credit Transactions Act meet its stated goals:

Bolster efforts to improve financial literacy among consumers.

Increasing consumer literacy is a goal of several government agencies. Most consumers do not know what credit bureaus are doing with information gathered on them or what can be done to keep their personal information from being used by mass marketers. Most consumers do not even know that credit bureaus allow mass marketers to mine data from information gathered by them. All too often information mined from credit bureaus is used to target consumers with unwanted offers of products and services.

Recommendations:

The Federal Trade Commission, using Public Service Announcements should inform the consumers of their ability to stop credit bureaus from offering consumer credit profiles to mass marketers.

The Federal Trade Commission should streamline the process allowing consumers to stop credit bureaus from offering their credit profiles to mass marketers.

The Federal Trade Commission should consider requiring consumers to give credit bureaus permission before they are allowed to offer consumers credit profiles to mass marketers.

Effect on the consumer – These steps would make is less likely for consumers to receive and accept solicitation for unwanted products and services.

Exercise greater control regarding the type and amount of marketing solicitations consumers receive.

Most consumers are not aware either that credit bureaus allow mass marketers to mine data from their files or that they are able to stop this intrusion into their privacy.

Effect on consumers – Mass marketers, by their access to information on activity and habits of specific consumers are able to target these consumers with unwanted offers of products and services.

Enhance the ability of consumers to combat identity theft

Mass marketers are allowed access to private information about the habits and financial activity of specific consumers without the consumers' knowledge or permission. With specific information about consumers readily available, there is a greater chance of identity theft.

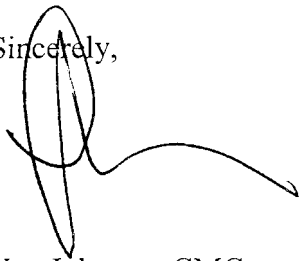
Recommendation:

A moratorium should be placed on mass marketers' access to consumer information from credit bureaus until: Credit literacy is improved to allow people to understand how their credit information is used. It is easier for consumers to tell credit bureaus they either want or do not want mass marketers to have access to their credit profiles. Better safeguards are in place to limit identity theft caused by the sale of private consumers' credit information.

We feel strongly that better educated consumers make better credit decisions. Limiting the sale of profiled information will reduce identity theft. Educated consumers will continue to promote increasingly efficient national credit markets.

Thanks once more to the Federal Trade Commission for giving us the chance to share our thoughts on this important topic.

Sincerely,

A handwritten signature in black ink, appearing to read 'Van Johnson', with a long horizontal flourish extending to the right.

Van Johnson, CMC

President