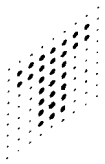


TransUnion

555 West Adams Street
Chicago, IL 60661
Tel 312 466 7730
Fax 312 466 7986
jblenke@transunion.com
www.transunion.com

John W. Blenke
Executive Vice President
General Counsel

October 28, 2004

Federal Trade Commission
Office of the Secretary
Room H-159 (Annex R)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: FACTA Prescreen Rule, Project No. R411010

To Whom It May Concern:

This comment letter is submitted to the Federal Trade Commission (the "Commission") on behalf of TransUnion LLC ("TransUnion") in response to the proposed rule (the "Proposal") issued by the Commission regarding the type size, format and manner in which the prescreen disclosures required by Section 615(d) of the Fair Credit Reporting Act ("FCRA") must be made. TransUnion appreciates the opportunity to comment on the Proposal.

TransUnion has approximately 4,000 employees with operations on five continents and in 34 countries. TransUnion has access to consumer credit information supplied by data furnishers on substantially all of the credit active consumers in the United States. As such, TransUnion is one of the principal providers of prescreening services to financial institutions throughout the country. TransUnion is proud of the crucial role that we play in the prescreening marketplace and proud of the fact that prescreening has increased access to credit at lower cost to all segments of the population.

We hope that our comments will be helpful to the Commission as it develops its final rule. In addition to the comments contained in this letter, we note that TransUnion is a member of the Consumer Data Industry Association ("CDIA") and participates in the Coalition to Implement the FACT Act ("Coalition"), and we strongly support the comments submitted to the Commission by those two organizations.

At the outset, we urge the Commission to eliminate the so-called Layered Notice from any final rule adopted on this issue. The Layered Notice appears to inappropriately elevate one element of the prescreening disclosures -- the right to opt out -- above all other prescreening disclosures. In fact, the Layered Notice approach even seems to suggest that the Commission believes that the right to opt out of prescreening is more important than the terms of the account being offered to the consumer as set forth in the so-called Schumer Box disclosures. We do not believe that Congress intended such a result. Instead, Congress directed the Commission to develop a rule to ensure that the prescreening disclosures are "simple and easy to understand." As discussed below, this congressional directive clearly can be carried out without making the prescreening opt-out right the most important and prominent disclosure in a prescreening solicitation.

We also are concerned that the Proposal's emphasis on the prescreening opt-out right may have unintended consequences for consumers. In this regard, by segregating the disclosure of the prescreening opt-out right in the short notice and requiring that both the short form and long form notice include the heading "OPT OUT NOTICES," the Proposal appears to go beyond the objective of enhancing disclosure and potentially crosses the line into encouraging consumers to opt out.

As the Commission is aware, consumers who opt out give up certain potential benefits. Most notably, consumers who opt out of prescreening are far less likely to receive offers of credit that may help those consumers reduce their costs or obtain other benefits in which they may be interested. Because the Proposal highlights the prescreening opt-out in a way that may promote opting out, we are concerned that the Layered Approach may result in some consumers opting out without realizing the benefits they will be giving up.

In addition, evidence suggests that highlighting the prescreening opt-out right in the manner set forth in the Proposal is unnecessary. As noted in the CDIA letter, more than 10 million consumers have chosen to opt out of prescreening. This strongly suggests that those consumers who wish to opt out are able to learn how to do so and that the unprecedented highlighting of the opt-out right set forth in the Proposal is unwarranted.

In our view, all of these issues can be addressed by adopting an approach based on the Commission's so-called "Improved Notice," with some modifications. The Coalition letter submitted to the Commission sets forth a number of suggestions for modifying the Improved Notice and we urge the Commission to incorporate those suggestions into its final rule. For example, we urge that the Commission modify the title of the notice to make it more accurate. Specifically, the Proposal suggests the use of the heading "OPT OUT NOTICE" and we suggest instead entitling the disclosures "PRESCREENING DISCLOSURES" or "PRESCREENING NOTICE" to more accurately describe the disclosures, only a fraction of which actually deal with the opt out.

We also urge the Commission to include in the model language for the Improved Notice the following: "Offers like these may be useful in comparing terms and benefits of various credit offers." "If you call or write, you may be asked to provide your social security number and other personal information to verify your identity. This information will be used only to process your request." and "Please note: Even if you choose not to receive prescreened offers of credit [or insurance], you still may get other credit [or insurance] offers." We believe that this language can provide helpful information to consumers and we urge the Commission to grant flexibility to include such language with the Improved Notice.

In short, we believe that an appropriately modified version of the Improved Notice is more consistent with congressional intent, would fully implement the directive to make prescreening disclosures "simple and easy to understand" and would provide more accurate information to consumers about prescreening. We strongly urge the Commission to adopt such an Improved Notice approach. If, however, the Commission adopts the Layered Notice, we urge the Commission to incorporate a number of modifications. Most importantly, if the Layered Notice is adopted, it must not elevate the opt-out disclosure or any other disclosure above the others. In this regard, the short notice component of the Layered Notice should simply notify consumers of

the existence of, and cross reference to, the prescreening disclosures so that consumers interested in the disclosures can find them in the solicitation materials. In addition, the short notice should be subject to the basic "clear and conspicuous" standard included in the FCRA and should not include type size, typeface or similar requirements. Moreover, the short notice should not be placed inside a box or border and should not be subject to any other requirements other than those imposed under the clear and conspicuous standard.

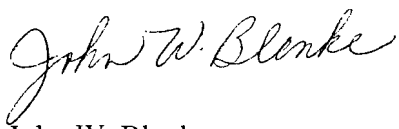
With regard to the Commission's questions about small business impact, it is important to understand that prescreening promotes competition and enables medium and smaller-sized regional institutions to expand their reach. In 2003, TransUnion provided prescreening services to nearly 300 companies. Of these, we consider fewer than 30 to be major national financial institutions. Although we don't know how many of the others meet the government's definition of "small business", the point is that prescreening is an important part of these smaller-to-medium-sized companies' business strategies. A change in the opt-out notice rules, which results in a significant increase in the number of consumers removing themselves from this marketplace, would harm these businesses.

Finally, we note that the Proposal indicates that the final rule will be effective 60 days after it is issued. Based on input from our customers, TransUnion believes that companies will need closer to 9 months to review their prescreening programs and make appropriate changes. Accordingly, we request that the effective date of the final rule be delayed for at least 9 months.

* * * * *

Once again, TransUnion appreciates the opportunity to comment on the Proposal. If you have any questions concerning our comments, or if we may otherwise be of assistance in connection with this matter, please do not hesitate to contact me at the number indicated above.

Sincerely,



John W. Blenke
Executive Vice President and General Counsel