



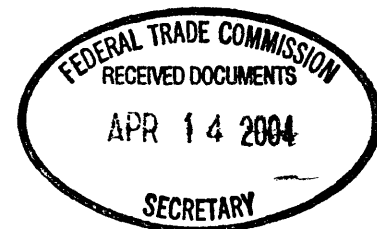
Direct Marketing
Services, Inc.

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VIA AIRBORNE EXPRESS (OVERNIGHT DELIVERY)

April 13, 2004

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



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RE: FACTA Free File Disclosures Proposed Rule, Matter No. R411005

To Whom It May Concern:

On behalf of AEGON Direct Marketing Response Division ("ADMS"), the following comments are hereby submitted in response to the Federal Trade Commission's proposed rule requiring the establishment of a centralized source through which consumers may request free annual file disclosures from each nationwide consumer reporting agency (the "Proposed Rule").

In accordance with Section 211(d) of the Fair Credit Transaction Act of 2003 (the "FACT Act"), the Proposed Rule requires nationwide consumer reporting agencies to establish a centralized source to enable consumers, with a single request, to receive free annual file disclosures from all nationwide consumer reporting agencies. The Proposed Rule will permit the nationwide consumer reporting agencies to utilize the centralized source to communicate with consumers about a variety of topics related to consumer reporting and file disclosures. Specifically, the Proposed Rule would allow the nationwide consumer reporting agencies to use the centralized source and to access information pertaining to those consumers who avail themselves of the centralized source to market ancillary products and services.

ADMS believes that allowing the nationwide consumer reporting agencies to utilize the centralized source for marketing purposes would be contrary to the legislative directive for which the centralized source was initially established and would substantially interfere with, detract from, contradict and undermine the central purpose of such centralized source. The centralized source as established under the FACT Act was intended to enable consumers to request on an annual basis a free copy of their credit report in a manner that is simple, easy and without confusion.

The Commission has expressed concern in the Proposed Rule that a centralized source that collects too much information may discourage consumers from requesting their annual file disclosures. Accordingly, the Proposed Rule incorporates specific provisions that limit the amount that each consumer reporting agency may collect through the centralized source to only what is reasonably necessary to properly identify the consumer and to complete the request for file disclosure. Under this same rationale, if the Commission permits national reporting agencies to market ancillary products and services through the centralized source, customers will be provided with too much information leading to unnecessary confusion about the choices presented and their rights to receive the annual file disclosure at no cost, without the need to purchase other ancillary products. In addition, many of these consumers could incorrectly conceive that these ancillary products are being provided along with the “free” credit report through endorsement or sponsorship by the federal government. Clearly there are other established channels that could be used as alternatives to market such ancillary products and services other than through the government regulated centralized source required to be established under the Fact Act by the Commission.

Similarly, the Commission should also consider the increasing scope of other privacy legislation intended to limit the sharing of consumer information in connection with the unauthorized solicitation of ancillary products and services. Allowing the consumer reporting agencies to utilize the centralized source for personal financial gain to market ancillary products to consumers requesting an annual credit report should clearly be prohibited by the Commission. By not prohibiting such ancillary marketing, consumers would be forced to openly consent to unwanted solicitations in order to request an annual credit report and may therefore refrain from utilizing the established centralized source entirely. Permitting the consumer reporting agencies to utilize the centralized source to market ancillary products would not only jeopardize the trust and confidence of consumers in the true nature of the centralized source but raise privacy concerns which federal and state privacy legislation and the FACT Act have intended to minimize. Consequently, ADMS recommends that the Commission consider adopting the same approach as it used in implementing the do-not-call registry and expressly restrict the consumer reporting agencies from using the central source for all other purposes, including marketing of ancillary products, other than to provide the consumers with the annual credit report and communication pertaining directly to credit report.

Apart from consumer interests, allowing consumer-reporting agencies to use the centralized source for marketing purposes creates a competitive disadvantage to other providers who market similar types of ancillary products. In today’s marketplace, an array of credit related products and services are readily available to consumers directly and through the consumers’ financial institution relationships from numerous providers other than the credit reporting agencies. If the Commission allows the consumer reporting agencies to gain access to customers and customer information directly through the centralized database, the other providers will be placed at a competitive disadvantage.

Essentially, this competitive disadvantage could effectively minimize the products available to the consumer in the marketplace from other providers, hamper production and innovation of new products and services and result in increased cost to the consumer for products that are then available.

Based on the reasons as noted above, we respectfully urge the Commission to modify the Proposed Rule to prevent the consumer reporting agencies from utilizing the centralized data base for their own commercial purposes to market ancillary products and services.

Respectfully submitted,

A handwritten signature in cursive script that reads "David Lipps".

David Lipps
Senior Vice President
AEGON Direct Marketing Services, Inc.