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OCC Alerts National Banks to New Obligations Under The
Fair Credit Reporting Act on Customer Information

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) today issued a bulletin alerting national banks to their new responsibilities under the Fair Credit Reporting Act (FCRA) and describing the policies the OCC will apply in conducting FCRA examinations of national banks -- to the extent those exams are allowed by the FCRA.

Recent amendments to the FCRA, which became effective in late 1997, impose a number of new obligations on banks but also provide new opportunities for banks to use and share customer information with affiliated companies. New obligations include responsibility for the accuracy of customer data provided to credit bureaus and the requirement to provide an explanation to a customer why the customer was denied credit if the denial was based on information contained in a credit report.

On the other hand, the new provisions of the FCRA also enhance the customer information that banks and their affiliates can freely share but require that banks give their customers the opportunity to "opt-out" of having their information shared.

Despite these new obligations and opportunities, the revisions to the FCRA also significantly limit the authority of the federal financial institution supervisory agencies, including the OCC, to examine the institutions they supervise for compliance with the FCRA. The agencies may only examine institutions for FCRA compliance in response to a "complaint," or when an agency "otherwise has knowledge" that an institution has violated the FCRA.

"Restrictions on our ability to examine national banks for compliance with the FCRA restrict our ability to protect the accuracy and privacy of bank customer information," said Julie L. Williams, acting Comptroller of the Currency. "Under the examination policies we announced today, we will do as much as we can, within the constraints of the law."

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The new policies take a flexible approach to the types of communications that will be considered a FCRA "complaint," and when the OCC will be deemed to "otherwise have knowledge" of a FCRA violation. "This is one step we can take now," said Acting Comptroller Williams, "but it is unfortunate that we have artificial limits on our examination authority in this important area of emerging consumer concerns."

Vice President Gore has called for revisions to the FCRA to give back to the bank regulators their authority to examine for compliance with the [Fair Credit Reporting Act](#). "We

strongly support this initiative," said Ms. Williams.

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The OCC charters, regulates and examines approximately 2,600 national banks and 66 federal branches and agencies of foreign banks in the United States, accounting for 58 percent of the nation's banking assets. Its mission is to ensure a safe, sound and competitive national banking system that supports the citizens, communities and economy of the United States.