



IOWA STUDENT LOAN
LIQUIDITY CORPORATION®

Walter Witthoff
Vice President
Iowa Student Loan Liquidity Corporation

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Federal Trade Commission
Office of the Secretary
Room 159-H (Annex C)
600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies, Project No. R611017

Delivery via <https://secure.commentworks.com/ftc-FACTAfurnishers>

Dear Sir or Madame:

The Iowa Student Loan Liquidity Corporation (Iowa Student Loan) is pleased to provide to the Federal Trade Commission the following comments relative to the Advance Notice of Proposed Rulemaking: Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies that was published in the Federal Register on March 22, 2006. Iowa Student Loan is a private, not-for-profit corporation, created as a state-based secondary market for education loans pursuant to the Higher Education Act of 1965, as amended. Its market is primarily the state of Iowa, and it makes and purchases both private and government-insured education loans. In its capacity as a licensed lender in the state of Iowa, Iowa Student Loan originates consumer credit education loans to students and parents who attend Iowa postsecondary institutions and/or are residents of the state of Iowa. Iowa Student Loan is a Furnisher Of Information, according to the terms of the Fair Credit Reporting Act. Iowa Student Loan wishes to respond broadly to the Advance Notice and will do so by responding to the two basic issues put forward in the Notice:

Accuracy Guidelines and Regulations Required

Iowa Student Loan contracts for the use of its loan servicing software. One of the services provided to Iowa Student Loan by the software's owner is the transmission of account information to the Credit Reporting Agencies (CRA). Information is gathered from the Iowa Student Loan servicing system on the 1st of every month and transmitted to the four national CRAs using the Metro II format. Iowa Student Loan ensures that its loan records are correct so that accurate information is transmitted to the CRAs. Iowa Student Loan ensures the accuracy of its loan records by the conscientious servicing of loans and the use of periodic, internal audits.

Iowa Student Loan from time to time experiences errors involving inaccurate subscriber codes and a specific instance of error involving duplicate account listings. The inability of the CRAs to assign a unique subscriber code to a servicer or subsequent owner has caused disputes to go to entities that cannot investigate the problem. There should be specific procedures in place to ensure the accurate assignment of subscriber codes by the CRAs. Additionally, CRAs require the ability and willingness to identify duplicate account listings. Iowa Student Loan has made the transition from using social security numbers as account identifiers to the use of a unique ten-digit account number. This transition caused CRAs to list some accounts in duplicate rather than to simply change the account number. The CRAs should have specific procedures to detect and correct the duplicate listing of accounts due to this and similar actions on the part of the furnisher.

Generally, Iowa Student Loan believes that the current processes in place for the transmission of account data are good. While Iowa Student Loan recognizes certain problems, and encourages the Commission to address those, Iowa Student Loan also encourages the Commission to resist rules that limit Iowa Student Loan's ability to continue its current processes.

Ability of Consumer to Dispute Information Directly with Furnisher

Iowa Student Loan finds that the vast majority of consumer disputes are made due to confusion on the part of the consumer. Fortunately, most consumers begin the dispute process by making a verbal dispute directly to Iowa Student Loan. Iowa Student Loan representatives can often alleviate the borrower's confusion over the telephone. In other cases, the borrower's oral dispute brings to light a bona fide error in the credit reporting that Iowa Student Loan has provided. In these cases immediate effort is made to correct the error. In still other cases the borrower's dispute involves an issue that Iowa Student Loan cannot address without referring directly to the borrower's credit file. At this point, the borrower is instructed to file his or her dispute through a CRA. Disputes brought in this format are accompanied by the credit information in question. Iowa Student Loan can then quickly identify the specific terms of the dispute and respond efficiently and effectively.

Similar to disputes received directly, disputes received via the CRAs are often broad, generally lacking specific information from the borrower. It is Iowa Student Loan's practice to investigate every dispute thoroughly and to report findings to the CRA's in a timely manner. Iowa Student Loan often receives vague disputes and repetitive ones; however, Iowa Student Loan refrains from identifying disputes as frivolous, giving each dispute full attention and a complete investigation. Iowa Student Loan has had rare experience with borrowers who request a reinvestigation of a dispute after initially submitting their dispute through a CRA. Iowa Student Loan's practice in these cases is to honor the consumer's request with a thorough reinvestigation.

Iowa Student Loan has not yet had a problem with so-called credit repair organizations or consumers who seek to abuse Iowa Student Loan's generous policies with regard to credit investigations. Despite its own lack of experience, Iowa Student Loan commends the Commission's foresight in recognizing the problem for the industry and seeking to address it.

Iowa Student Loan recognizes that problems do exist for which consumers require the ability to dispute information contained in their credit report. Moreover, Iowa Student Loan recognizes that a primary cause of disputes is a deficiency in financial literacy among consumers. As a not-for-profit corporation, Iowa Student Loan's daily efforts focus on assisting the students parents. To this end, Iowa Student Loan seeks to remedy any an all credit disputes by the most effective and efficient means possible. Often, this simply requires a telephone conversation. At other times a written, documented dispute is required to examine the borrower's concerns. The best available method for borrower's to provide this kind of dispute is through the CRAs.

Thank you for the opportunity to present these comments. If you have any questions, please do not hesitate to call.

Respectfully submitted.

Walter Witthoff
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