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MEMORANDUM

July 7, 2011

To Our Clients and Friends

Re: Credit Score Disclosures

The Federal Reserve Board (“Board”) and the Federal Trade Commission (“FTC”) have adopted amendments relating to the credit score disclosure requirement of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), which is effective July 21, 2011. The final rules implement the requirement that creditors disclose credit scores and certain related information in risk-based pricing notices when credit scores are used in setting the material terms of credit.

Under the rules, a creditor is required to disclose the following information in its risk-based pricing notice:

- Credit score
- Range of possible credit scores
- Key factors that adversely affected the credit score (generally, no more than four)
- Date the credit score was created
- Name of the person providing the credit score

As an alternative to providing credit scores and related information in connection with risk-based pricing notices, creditors may provide all applicants for credit with a free credit score and information about their score. The Board and FTC also have issued revisions to the model notices to incorporate these new credit score disclosure requirements.

The Board also finalized amendments to the combined Equal Credit Opportunity Act-Fair Credit Reporting Act adverse action model notices in Regulation B (Equal Credit Opportunity Act) to facilitate compliance with the new requirements.

A copy of the final rules can be found at our website at <http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker or Lauren Bianchini at (202) 776-0700.