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M E M O R A N D U M

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To Our Clients and Friends

Re: Report on FCRA Dispute Process

The Federal Trade Commission (“FTC”) and the Federal Reserve Board (“Board”) have submitted a report to Congress assessing the steps that consumer reporting agencies (“CRAs”) and furnishers of information to CRAs take after receiving a consumer dispute about the accuracy or completeness of information in the consumer’s file at the CRA. The report was required by section 313(b) of the Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”).

The report describes how consumers submit disputes to CRAs, how CRAs forward disputes to furnishers, how furnishers investigate disputes and how CRAs review responses and communicate results to consumers. The agencies also summarize public comments on the dispute process. The report concludes that most disputes regarding the accuracy or completeness of information are processed within the required statutory time frame. However, consumer groups advised that in their view the dispute investigation process is flawed because CRAs and furnishers do not conduct meaningful investigations. The agencies do not recommend any legislative or regulatory actions in light of the fact that enhancements to the dispute process made by the FACT Act are in the process of being implemented and should be given the opportunity to take effect.

A copy of the report can be found on our web site at
http://www.schwartzandballen.com/whats_new.html.

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