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**MEMORANDUM**

March 22, 2006

To Our Clients and Friends

Re: FACT Act: Agencies' Proposal on Information Furnished to CRAs

Section 312 of the Fair and Accurate Credit Transactions Act of 2003 ("FACT Act") requires the Federal banking agencies and the Federal Trade Commission ("FTC") to establish and maintain guidelines for use by each person that furnishes information to a consumer reporting agency ("CRA") regarding the accuracy and integrity of the information and prescribe regulations requiring furnishers to establish reasonable policies and procedures for implementing the guidelines. It also requires the agencies to issue regulations identifying the circumstances under which a furnisher, based on a direct request from a consumer, must reinvestigate disputes about the accuracy of information in a consumer report.

The Office of the Comptroller of the Currency, Federal Reserve Board, Federal Deposit Insurance Corporation, Office of Thrift Supervision, National Credit Union Administration and the FTC (the "Agencies") have issued an advance notice of proposed rulemaking to gather information useful for developing the guidelines and regulations required by Section 312. Comments are due May 22, 2006.

The Agencies request comment on a number of issues and specific practices of furnishers, including:

- Criteria to be considered in developing guidelines to be used by furnishers to ensure the accuracy and integrity of consumer information furnished to consumer reporting agencies
- What constitutes reasonable policies and procedures of furnishers to CRAs
- Circumstances under which furnishers should be required to investigate disputes raised by a consumer directly with the furnisher concerning information furnished to a CRA

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A copy of the advance notice of proposed rulemaking can be found on our web site at [http://www.schwartzandballen.com/whats\\_new.html](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.