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M E M O R A N D U M

August 6, 2004

To Our Clients and Friends

Re: FACT Act: Study on Investigations of Disputed Consumer Information

The Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”) requires the Federal Reserve Board (the “Board”) and the Federal Trade Commission to conduct a joint study on the adequacy of investigations by furnishers of consumer information that is reported to consumer reporting agencies (“CRA”) when consumers dispute the information. To aid in the study, the Board is requesting comment on issues relating to the investigation, completeness and correction or deletion of disputed information. Comments are due by September 17, 2004.

The Board is requesting comment on a number of issues, including:

- What types of entities do or do not report information to CRAs?
- What percentage of disputes or complaints come through a CRA, directly from consumers or from other sources?
- Do furnishers provide addresses for consumers to use to dispute information directly with furnishers?
- What are the procedures and timelines furnishers use for handling and investigating disputes and complaints from consumers?
- Do consumers and CRAs provide sufficient information to furnishers or is information often missing? How are disputes resolved if relevant information is missing?
- What are consumers’ experiences in resolving disputes?
- How do furnishers ensure compliance with statutory requirements regarding accuracy and completeness of information?
- How do CRAs provide furnishers with notices and relevant information when disputes are communicated directly to the CRAs?

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- What guidelines or procedures apply to information that continues to be disputed after the conclusion of the formal dispute process?
- Do the answers to the questions vary based on industry, size of entity, type of credit or any other characteristics?
- What legislative or regulatory changes are recommended? What benefits or burdens should be considered?

A copy of the notice 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 or Tom Fox at (202) 776-0700.