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**MEMORANDUM**

June 16, 2004

To Our Clients and Friends

Re: FACT Act: FTC Notice of Study on the Effects  
of Credit Scores and Credit-Based Insurance Scores

The Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”) requires the Federal Trade Commission (“FTC”) and the Federal Reserve Board to conduct a study on the effects of the use of credit scores and credit-based insurance scores on the availability and affordability of financial products and services.<sup>1</sup> As required by § 215 of the FACT Act, the FTC is seeking comments on the prescribed methodology and research design of the study. The study is due by December 4, 2005. Comments on the FTC’s request are due by August 16, 2004.

**REQUEST FOR COMMENTS ON STUDY**

The FTC seeks comment on a number of issues relating to the study, including:

- how should the effects and impact of credit scores and credit-based insurance scores on the price and availability of financial products be studied;
- what is a reasonable methodology to measure the price and availability of financial products and services; and
- what data are available to undertake the multivariate analysis that is required by § 215.

The FTC’s notice can be found 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 or Tom Fox at (202) 776-0700.

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<sup>1</sup> Financial products and services include credit cards, mortgages, auto loans and property and casualty insurance.