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MEMORANDUM

March 3, 2005

To Our Clients and Friends

Re: FTC Request Concerning Credit Scores and Credit-Based Insurance Scores

The Federal Trade Commission is requesting public comment in connection with a study it is conducting on credit scores and credit-based insurance scores. The public is requested to provide data, studies or other information on the effects of credit scores and credit-based insurance scores on the availability and affordability of financial products. The comment period ends April 25, 2005.

Section 215 of the Fair and Accurate Credit Transactions Act of 2003 (the "FACT Act") directs the FTC and the Federal Reserve Board to conduct a study by December of the effects of credit scores and credit-based insurance scores on the availability and affordability of financial products. The products include mortgages, credit cards, auto loans and property and casualty insurance. The FTC previously requested public comment on the methodology and research design of the study.¹

In addition to providing information that might be useful for the study, commenters are asked to address 45 questions concerning the development, use and effects of credit scores and credit-based insurance scores.

A copy of the FTC's proposal 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.

¹ Our June 16, 2004 memorandum discussing the FTC's prior request for comment can be found at http://www.schwartzandballen.com/Memos%202004/FACT%20Act%20-%20FTC%20Credit%20Score%20Study%20Notice%20_6-16-04_.pdf